

The NATIONAL UNDERWRITER

Life Insurance Edition

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**PROVIDENT
LIFE AND ACCIDENT
INSURANCE COMPANY**

Commemorating
A HALF-CENTURY
OF HUMAN SERVICE
*Chattanooga
Tennessee*

FRIDAY, JANUARY 1, 1937

Advantages of Acacia's Agency Contract:

Building a Permanent and Increasing Renewal Monthly Income

THE Acacia Agency Contract is for the man who plans to *stay* in the business.

It pays liberal first-year commissions from the start. Here, its similarity to the ordinary contract stops. Acacia's contract pays a renewal monthly income based on the agent's total business in force and increasing as his business in force increases, during his entire connection with the Company. The ordinary contract pays renewals for only nine or ten years, if that long, when they cease automatically and have to be replaced by renewals from new business sold.

Under the Acacia contract, the agent's renewal monthly income starts during his *first year* when he gets his first unit of business in force, and increases thereafter with each additional unit. Under the ordinary renewal contract, renewals begin only with the payment of the *second year's* premium.

Under Acacia's contract, the agent's renewal monthly income *increases* in size as he grows older. Under the ordinary renewal contract, an agent's renewal income generally decreases as he grows older because each year, after nine or ten years, depending upon the contract he holds, the renewal income payable on business written nine or ten years ago automatically terminates. The man who holds that kind of contract is limited in his renewal earnings because after the ninth or tenth

year he has to write enough new business to offset the automatic terminations plus the ordinary lapses and terminations on his business in order to keep his renewal income level. **Under Acacia's contract there are no automatic terminations.**

The Acacia contract is therefore the only life insurance contract that does not limit a man's earning power.

In addition to this increasing monthly income feature, the Acacia contract also provides for a twice-a-year bonus for Quality business. It provides for less work in old age, without decrease in monthly income. Also, protection against partial, temporary, and total and permanent disability, and, in addition, it continues the monthly income after his death by payments to the beneficiary based on the income the agent was receiving at his death.

Acacia sells and believes in an old age retirement income and practices what it preaches in its agency contract.

The *best test* of the *value* of Acacia's contract is its *profit* to the men *during the depression*.

We do not seek the agents of other companies but we want everyone to know of the advantages of Acacia's Agency Contract.

ACACIA MUTUAL LIFE INSURANCE COMPANY

Chartered by the Congress of the United States in 1869.

Insurance in Force, over \$360,000,000—Assets, over \$65,000,000

Branch Offices in 60 Principal Cities

William Montgomery, President

51 Louisiana Avenue

Washington, D. C.

The NATIONAL UNDERWRITER

Forty-First Year—No. 1

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, FRIDAY, JANUARY 1, 1937

\$3.00 Per Year, 15 Cents a Copy

Examination Plan Submitted by Pink

New Commissioners' Sub-committee to Meet in Chicago
Jan. 4

READ NAMES COLLEAGUES

New York Superintendent Outlines Program in Connection with Participation of Outside States

Superintendent O'Malley of Missouri, Commissioners Read of Oklahoma and Earle of Oregon have been appointed on a sub-committee of the examination committee of the National Association of Insurance Commissioners to meet Jan. 4 in Chicago with Superintendent Pink of New York, chairman of the executive committee, and President Palmer, Illinois superintendent, to work out some solution of the examinations problem that will be satisfactory to all concerned. The appointment was made by Commissioner Read, chairman of the examinations committee, at the suggestion of Superintendent Pink. This was suggested by other commissioners at the Hot Springs meeting early in December. The appointment was made as soon as Mr. Read could receive approval of the step from members of the examinations committee.

Pink Invites Cooperation

In his letter to Chairman Read, Superintendent Pink stated that his department is starting an examination of the Metropolitan Life and the Home Life at the first of the year and he would welcome the attendance of other examiners as observers and advisers. He also stated that outside examiners could work along with the New York examiners and could have access to all information developed by the New York executives and in addition, they could take as intensive a part in the examination as they desire. He further stated that he would welcome any criticism and suggestions from them, and that the outside examiners would be in position to make a report, if they so desired, to the committee on examinations, either ratifying the New York report or make additional comments, criticisms or suggestions.

Mr. Read said that he and a majority of the members of the examination committee approved the suggestion of the New York superintendent and authorized its immediate adoption.

Meeting on Jan. 4

A meeting of the sub-committee has been called by Chairman Read for 10:30 a. m. Jan. 4, at the Palmer House, Chicago. Mr. Palmer and Mr. Pink will attend. Mr. Read also notified the other 14 members of the examinations committee that their presence and that of any commissioner or representative of

(CONTINUED ON LAST PAGE)

More Large Cases Are Now Reaching the Home Offices

MAINLY BUSINESS INSURANCE

Possibility of Saving in Taxes and Money Available from Dividend Payments Big Factors

NEW YORK, Dec. 31.—Quite a few good sized cases and one or two that would have been considered big even in the old days of jumbo risks are making their appearance in home office underwriting departments. Of cases running \$50,000 and up, it is estimated that fully one-half are business insurance. The desire to take advantage of tax savings and the large amount of money made available through dividend payments have been strong factors in producing business in the big risk field.

The really big cases, such as those running into the millions of dollars, are still looked upon with great wariness and companies are inclined to limit their participation in them sharply. It is necessary to shop these cases around extensively before any substantial part of them is accepted.

Watch Finance Closely

Finances and speculation are being watched very closely in the big risk field. Selection departments are not only interested in how much an applicant is making today, but what the chances are that he will continue to do as well or better for a considerable time to come. Diseases of the circulatory system are also being looked for, as they have shown a tendency to rise among those insured for large amounts and tend to reflect the strain that men in highly responsible positions are under during a depression period or time of business stress.

Many large cases have resulted from the tax savings possible, not only inheritance taxes but income taxes as well. For example, a wealthy man in the 50 percent income tax bracket can take a block of his capital which is earning around 3 percent, invest it in a single premium policy for which the premium is about half the face amount of the insurance, and still have the same income, free from income tax, that he had before, while the insurance represented by the difference between the face amount and the premium costs him in effect nothing.

Rumor Ohio Department Shakeup

COLUMBUS, O., Dec. 31.—Miss Catherine McGuire, who leaves the Ohio insurance department, was dropped by order of Gov. Davey. This was accomplished by abolishing her job as license clerk. Charles Kellstedt, for many years messenger in the department, has been let out and 18 others who, it is said, were only provisionally employed on the issuing of licenses. There are rumors that the administration is cutting down the department and then intends to reduce the appropriation for it. There is talk of a general shakeup. Whether Superintendent Bowen will stay is a matter of much interest.

Wise Now Vice-president of the Provident Mutual

IS IN CHARGE OF AGENCIES

New Executive Has Been Successful Depression General Agent in Eastern Pennsylvania

Willard K. Wise of Reading, Pa. has been appointed vice-president in charge of agencies for the Provident Mutual Life. He is a successful general agent of that company, who has made a particularly good record during the depression years. He has been general agent in eastern Pennsylvania for Provident Mutual for 20 years. For a time his headquarters were in Philadelphia and later he moved to Reading. He has been connected with the company 25 years.

President M. A. Linton of the Provident Mutual, in his conference Tuesday with Chicago agents of the company, discussed the appointment of Mr. Wise. He said that companies have found it very useful to have as heads of their agency department men who have successfully managed agencies during the depression years. That particular experience was not regarded as so important previously. He recalled that there have been several such appointments lately and he mentioned particularly the appointment of A. E. Patterson, formerly Chicago general agent of the Penn Mutual, as vice-president and agency manager of his company.

Mr. Wise was guest of honor recently in Reading at a surprise banquet in connection with the 25th anniversary of his affiliation with the Provident Mutual. Among the speakers was Franklin C. Morss, manager of agencies at the head office, who reminisced about Mr. Wise's entry into the business. Mr. Morss sold him his first policy and made him a "bird dog." Mr. Wise then was employed in a bank in Pottstown, Pa., and was impressed by the opportunity in the business.

Clancy D. Connell, who attended, referred to Mr. Wise as "the No. 1 general agent of the Provident."

L. A. Lincoln Sees "In-Force" Figure at New High in '37

A decided gain in the amount of life insurance in force with practically all of the companies is the report for 1936, President L. A. Lincoln of the Metropolitan observes. There is every reason to expect that 1937 will see a greater amount of life insurance in force than ever before, he asserts.

"This forecast," Mr. Lincoln declares, "rests on the evidence of confidence in the stability of life insurance as an institution, as demonstrated during the financial stress of the past few years. The 18 billion 500 million dollars paid out by the life companies from the beginning of 1930 to Dec. 31, 1936, without weakening the financial strength of the institution, have done much to increase the faith of Americans in this business."

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Teachers Take Up Insurance Issues

University Professors at Meeting Seek Cooperation of Men in Business

SOCIAL FORMS STRESSED

Study of International Trends in Insurance Urged—General Study Prior to Specific Courses Favored

OFFICERS ELECTED

President—H. J. Loman, University of Pennsylvania.
Vice-President—Robert Riegel, University of Buffalo.
Secretary-Treasurer—F. G. Dickinson, University of Illinois.
Executive Committee—S. S. Huebner, University of Pennsylvania; J. H. McGee, University of Maine; J. E. Partington, Iowa State; E. L. Bowers, Ohio State.

Influenza seriously handicapped the annual meeting of the American Association of University Teachers of Insurance in Chicago. In spite of the fact that four scheduled speakers and a number of members were unable to be present because of illness, about 100 teachers and insurance men attended the morning and afternoon session, the latter for the first time being devoted to a study of two specific and live issues, revision of the standard fire insurance policy and the development of all-risks liability policies. Life insurance did not have any specific place on the program, although it came in for considerable attention in the discussions of curricula and bibliography.

International Trends

Most prominent of the absentees were Dr. S. S. Huebner, past president and founder of the association, always a prominent figure at the meeting, and H. J. Loman, University of Pennsylvania, who was elected president in absentia. Other victims were Ernest Palmer, Illinois director of insurance, who was scheduled to address the luncheon, and George H. Moloney, vice-president Hartford Accident, Chicago, who was slated to discuss all-risks liability insurance.

J. H. McGee, University of Maine, who was elected to the executive committee, was also absent, but this was due to his having just been appointed to the state housing commission and not to illness.

R. H. Blanchard of Columbia University is the retiring president.

Apart from the featured discussions of two important and controversial topics, a number of trends of insurance academic thought were discernible. First, there was a definite feeling that proper insurance education requires attention

(CONTINUED ON LAST PAGE)

Reassurance and Comfort Seen in Events During Year Just Closed

By CLARENCE C. KLOCKSIN
Legislative Counsel Northwestern Mutual Life

The annual life insurance review, prepared for many years by the late Henry Tyrell, legislative counsel Northwestern Mutual Life, is given below. Clarence C. Klocks, legislative counsel of the Northwestern Mutual, assumed the task last year and is carrying on.

The force and effect of some of the difficult and complex issues of the depression which challenged the institution of life insurance were extended into the year just ended. These problems were of such consequence that company executives and agency managers labored zealously to meet them. To their credit, let it be said that they met these issues deliberately and constructively, solving those matters of immediate concern and going far towards a solution of those that by force of circumstance must run their course.

Several Major Problems Encountered in Year

Major problems of the year concerned investment and reinvestment of company funds in the face of continued low interest rates; economy of management as an expense factor was emphasized, while the new taxes of the federal social security act and state unemployment insurance laws enlarged the expense account; medical selection was raised to higher standards; underwriting practices were improved and quality production was stressed; the effect of the federal social security program on life insurance coverage was appraised, and ways and means to broaden and improve life insurance and its service were developed and put into practice. These were only a few of the year's problems. They, and others, will be discussed later.

New Business Production Estimated at 14 Billion

It is estimated that new life insurance placed upon the books of the companies in 1936 will be in excess of 14 billion dollars. When the final figures are available, it is expected that the total will closely approach, if not equal, the 1935 production of 14½ billions. This is a most gratifying showing on the part of the agency field and, all things considered, is a tribute to its efforts and ability.

For the first time since depression forces began cutting it down, total life insurance in force, exclusive of fraternal benefits, reached a new high. At the end of 1936, the amount stood at over 104 billions. The net increase for the year in the insurance account is about three billion dollars, or about double the increase registered a year ago over the 1934 total. These figures are very impressive and satisfying.

Record Total Assets for Year Are Shown

Total assets of the companies maintained their steady upward climb; from \$23,200,000,000 a year ago, the total at the end of 1936 had grown to approximately \$24,750,000,000, an increase of about a billion and a half for the year. It may be timely to observe that at the end of 1929, the total assets were \$17,442,000,000, and since that time there has been an increase every year in the asset total. In view of the adverse conditions, this is an accomplishment probably without parallel in the annals of American business.

It is fundamental that investment of life insurance funds be made with safety of principal as the watchword. Interest returns or earnings, however, are matters of immediate importance and concern. It is here that a real problem exists, for, it has been difficult, if not im-

possible, under present conditions to obtain an average rate in excess of 3½ percent on new bond investments. Real estate mortgages are paying a better average return than bonds, but, due mainly to government competition in this lending field, enough good mortgages have been hard to get.

Fortunately, the bulk of the securities which the companies own were purchased before the interest decline reached the low levels. Under improving business conditions, requiring large amounts of capital investment, it is believed interest rates will soon be more favorable. An expected curtailment of government lending in the mortgage field would add impetus to any upward direction.

Recent reduced interest returns have been the cause for some concern among company investment officials, but this condition is neither critical nor alarming. History is merely repeating itself. There are evidences now that the low cycle is passing, and in its wake will come better rates for the use of money.

Uniform Mortality Trend Experienced by Companies

With excess interest over reserve requirements sharply reduced, the importance of contributions from favorable mortality has assumed greater proportions. Mortality experience of the companies has been remarkably uniform for a decade. A debt of gratitude is due to medical departments, local examiners, inspectors and agency representatives for their highly efficient work. Mortality of 1936 is so close to the experience of 1935 that the final figures will be necessary to show whether an increase or decrease has actually taken place. In passing upon this important phase of the business, it is most encouraging to note that deaths from suicide by insured persons decreased again, while fatal automobile accidents among the insured also receded somewhat.

Better Agency Practices from Cooperation of Forces

More emphasis than formerly was placed by home offices and agency managers on the selection and training of the man in the field. To a large extent, better agency practices may be attributed to activities of the National Association of Life Underwriters, the Life Insurance Sales Research Bureau and the Life Agency Officers Association. The effect and operation of the part-time agreement, known as the "agency practices agreement," is accomplishing a fine purpose. The educational and training courses of the American College of Chartered Life Underwriters have contributed greatly to the agent's equipment. The cooperative endeavor of these and other groups is getting results: quality agents and quality business. The permanency of the agent in relation to his company and the persistency of the business sold make a winning combination. The good work must be continued. It is going to make the field a greater factor in the institution.

Agents Now Are Bearing the Burden of Informing Public

Some critics of life insurance have published analyses and conclusions as to alleged weakness in the life insurance structure, which the companies feel are not in accordance with the facts and that the contentions are unsound. These attacks were effectively answered by Paul Speicher in his book, "The Truth About Life Insurance." There are many who believe that home offices will have to meet this derogatory propaganda, but for the present it appears that counter-

acting activity must be carried on by the men in the field.

Life Insurance Week, celebrated from May 11 to May 18, 1936, took on more significance than at any previous time. Local and state association meetings abounded throughout the country, while chain broadcasts added to the importance of the occasion. The opportunity to put over the life insurance message in this way has become obvious, and the future of this movement promises still greater results.

Social Security Act Gives Rise to Increased Taxes

The federal social security act should be considered in connection with its effect upon private life insurance. Although a large amount of money will be flooding the Treasury within the next few years, this will have to be held to maintain a fund to meet the payment of benefits which will begin in 1942. Any increase in the benefits would require correspondingly higher tax rates.

Outside of the relatively small refund available in case of death of an employee before retirement, ordinary insurance for the protection of one's family or dependents has no counterpart in the federal act. This function is reserved to the private companies. It still is, and probably always will be, the most important function of the life insurance business.

Companies Are Supplementing Income from Federal Scheme

Home offices, in view of the relatively small retirement benefits under the act, have developed plans for retirement annuities and group pensions to fit in with or supplement the federal pensions. Such plans are becoming increasingly popular.

The recent recommendation to Congress by the social security board to authorize sale of government annuities to persons not covered by the present act caused some apprehension among field representatives. It is extremely doubtful, however, that any such plan, if adopted, will become popular. The federal government may come to learn that voluntary security must be "sold." It is something that the private carriers have known for nearly a century. An example of a public voluntary system is the Wisconsin Life Fund, organized 25 years ago, and which at present has about one and a half millions of life insurance in force.

No Federal Investigation of Life Insurance Expected

For some time there have been rumors of a federal investigation of life insurance. It is understood that the administration at Washington contemplates no such action. Undoubtedly, the institution of life insurance has nothing to fear from an investigation of its principles, methods, or practices.

Recently the Sabath Congressional committee, having investigated for some months alleged abuses in real estate bond-holders committees, inquired into the conditions surrounding some life insurance company receiverships and reorganizations. The testimony revealed some past abuses of interlocking directorates and holding companies in the life insurance business. These conditions have been substantially corrected, as have also been the investment laws of the states under which such companies operated.

The Sabath committee, however, has indicated it may ask Congress for authority to investigate the life insurance business. Assuming that it does so, it is difficult to see what good will be accomplished. After all, the states are still supervising the insurance business. Only



CLARENCE C. KLOCKSIN

last May, a subcommittee of the House post office committee, reporting on the Hobbs bills to outlay unauthorized insurers by denying them the use of the mails, said that such legislation would be unconstitutional in view of the Supreme Court's opinion that insurance is not interstate commerce.

Insurance Commissioners in Move Toward Law Uniformity

The National Association of Insurance Commissioners, through the able and energetic leadership of its president, Ernest Palmer, went to work on the most ambitious program this organization ever attempted. The spectre of federal supervision of insurance may have some bearing on the program, and yet such regulation is not a new issue. Out of the recent deliberations of the commissioners has come a definite movement for a uniform code of insurance laws. A special committee was empowered to take immediate charge of the matter and report its findings at the June meeting. This effort for statutory uniformity is commendable, and it is hoped that real progress will be made in this direction. Another special committee will study recommendations for a full-time, paid secretary and maintenance of a central office and clearing house.

President Palmer, speaking at the annual meeting of the Association of Life Insurance Presidents in New York, gave the assembled company executives something to think about when he advocated that companies be authorized to issue a type of life insurance whereby the policy reserve could be used only to keep the insurance in force. No cash surrender or policy loan privileges would be available under such policies. Without doubt, there is much of interest in this recommendation, and some companies may look into the practical aspects of such a plan.

Consolidations, Reinsurance of Several Companies Noted

The year witnessed several mergers, the foremost of these being the union of the American Central Life and United Mutual Life of Indianapolis under the name of the American United Life. The new company will operate on the mutual basis.

The Kansas City Life reinsured the outstanding policy obligations of the Continental Life of Missouri, while the United Benefit Life of Omaha absorbed

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Disabled Insured Asking Lump Sum

Companies Are Getting Requests to Settle Legitimate Claims for Cash

ADVISE AGAINST COURSE

Some Policyholders Feel They Could Regain Health by Moving to Better Climate

NEW YORK, Dec. 31.—Life companies are getting quite a few requests from disabled policyholders receiving income disability payments to settle their claims for a lump sum, even though the claim is perfectly good and the company is not questioning its soundness. This is a recent development, and by some is attributed to word getting around about companies compromising disability claims where there was a dispute over the insured's right to disability income.

Sometimes these proposals, when initiated by policyholders, are entirely on the level. A man with tuberculosis, for example, may feel that a change to a better climate will bring him permanent recovery or at least enable him to work again. However, the small amount he is receiving in monthly disability payments is spent as fast as it is received for current necessities and there appears to be no chance for him to get enough money ahead to pull up stakes and move himself and his family to some place like Arizona or New Mexico.

Feel Both Would Profit

He feels that if the insurance company would pay him a flat sum of several thousand dollars it would be a good deal for both himself and the company. The company, he argues, will probably have to keep on paying him as long as he lives if he remains in a climate where he cannot work. These payments would total up to considerably more than the compromise sum he is asking.

With a modest capital, the disability recipient feels that he could not only move to a healthier climate but set up a small business or boarding house which he, with the help of his family, could operate. Naturally he would prefer to take such a gamble, particularly if he is genuinely concerned about getting his health back and is not content with being a pensioner of a life insurance company for the rest of his days.

Turn Down Propositions

Even when offered in good faith, life companies make it a practice to turn down such propositions. The man making the proposal is usually unduly optimistic, both about his chances for recovery in some other locality and about his ability to succeed in the proposed business venture. While here and there, an exceptional case might work out, on the average the disability claimant who makes such a proposal will probably fail to regain his health and very likely lose his capital. In such a case he will be stranded without the help of disability payments from the life company. With the odds so strong that most of these cases will turn out unsatisfactorily to the policyholder, companies are reluctant to have any part in them.

In addition to the disability recipient who wants to get back his health, there is the man who is afraid that he will. This type of claimant is the one who feels that he is definitely on the road to

(CONTINUED ON PAGE 8)

Review—Forgive Us—Is Made of the Year 1936

Comes Jan. 1 and with it the self-imposed necessity of glancing backward—warming up yesterday's newspaper.

Of all the events that made up the kaleidoscopic insurance scene in 1936, perhaps the most dramatic, if not the most significant was—

Whereupon we stop to thumb the files to find the ending to that sentence. —R. Emmett O'Malley.

For he was indeed an event, if not some events.

Passing swiftly through the rapids and schools in the insurance year, there hoves into view a personage destined to carve a niche for himself in the portals of the world of risk, he being—

Again to the files and in short order the sentence completes itself.

—Joseph Futz of 84, Pa.

To depart for the nonce from impressive insurance personalities of 1936 to the great problems of a year that no less than its predecessors was replete with problems, by all odds the most problematical problem was—

A refreshing look at the headlines produces the answer.

—What is an agent? Is he an I. C. or an S. E.

For insurance man of the year, the torch goes to—

That is easy, no need to consult the files

Samuel L. Carpenter.

When it comes to the most satisfying quotation of the year, the honors go to—

It is not necessary to go back many weeks to find this one.

—L. H. Pink when he said: "We commissioners don't want to be entertained so much at our conventions."

Thus, it can readily be seen that, all things taken into consideration, 1936 was a red letter year all-in-all.

Pacific Mutual Supplied Biggest 1936 Life News

By ROBERT B. MITCHELL

NEW YORK, Dec. 31.—Some other things happened in the life insurance business in 1936, but for event of the year the Pacific Mutual Life story looms up so big that nothing else seems even close. Here in New York, the Pacific Mutual has not operated for some time, but there would be little quibbling about giving it first place in the year's news.

Not only was it that the news involved the twenty-fourth largest company in insurance in force—nearly \$637,000,000—but the presence of a substantial group of non-cancellable accident and health policies, which had been mainly responsible for causing the company to be placed in the California insurance department's hands, raised puzzling and unprecedented questions as to the rights of this group of policyholders against those of the life policyholders, who had paid adequate premiums.

Lengthy Court Hearings

The court hearings required to straighten out these knotty problems dragged the case along from mid-summer, when the news first broke, until nearly the end of the year. A scrapbook of Pacific Mutual clippings for the last six months would rival the Encyclopedia Britannica in volume.

Even among the difficulties that various life companies got into during the depression, the Pacific Mutual's troubles were unique. In the case of all the other companies, what led to reorganization was the investment problem. What bogged the Pacific Mutual down, however, was having on its books so

large a volume of non-cancellable business written at inadequate rates that it was only a question of time until the needed extra reserves would wreck the company, life department and all.

Social security managed to roll up an imposing amount of space in the insurance journals, considering that it is really not a form of insurance at all. The subject, however, had a three-fold interest for life men. Foremost was whether agents compensated solely by commissions, as most ordinary agents are, come under the terms of the federal social security act for old age and unemployment benefits. It seemed clear enough, to anyone who scrutinized the facts and in particular to anyone who ever had attempted to get agents to conform to this or that way of selling, that the agent is indeed an independent contractor and not an employee.

The government, however, was known to be out to declare everyone possible an employee under the law and let those who could extricate themselves. Latterly, there appears to have been a shift away from this attitude. Also, in most of the states which have rendered opinions the agent has been held to be independent.

Effect on Group Pensions

Then there was the question as to how social security will affect group life insurance and pension plans written by life companies. Because the government plan is compulsory, private plans can be no more than supplemental to it, but a large group business has been done this year on this basis and many existing group pension plans have been revised to dovetail with the government's system.

Two modifications will be proposed at the approaching session of Congress. One would cut out the huge reserve feature of the government plan and put it more on a pay-as-you-go basis. The other would permit employers to have private pension plans if as liberal and well-secured as the government's. This would correct the injustice of crowding life companies out of a field that they were instrumental in developing.

Effect on Individual Sales

A broader problem is the effect of social security on ordinary and industrial insurance, the kind sold by agents to individuals. Divided opinions have been expressed, but there is already considerable evidence that social security is helping agents to sell, at least far more than it is hindering them. At the younger ages an individually purchased plan can be shown to give a better return than the government's when the employer's contribution to the latter is taken into account.

The continued low level of interest rates was reflected in quite a few of the year's activities. Companies tended to push term insurance and other low-premium forms which brought less of an investment headache than the high-reserve contracts. The writing of annuities and policies where the investment feature was the main object was restricted or at least not stressed.

Future of Interest Rates

As the year closed, it was still anybody's guess where interest rates were heading, although few were pessimistic enough to believe that they were going down perceptibly. Government bonds and high grade utility and industrial bonds, particularly utilities, were the main investment channels. Some companies which bought second-grade bonds early in the year realized a good appreciation on them by the year's end.

Bonds more generally include the

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Obligation Grown Great

An obligation, grown great during the last six years, we desire to discharge, in part at least, at the new year's beginning, by public acknowledgment of the large number of generous, friendly letters we have received, commenting on the brief chats, sales stories, references to current life insurance events, and paragraphs supporting life insurance ideals that have appeared in the weekly and the monthly insurance journals in our allotted advertisement space.

These expressions, written and oral, have come from Presidents and other Home Office officials, General Agents, Special Agents, Cashiers and other members of Agency staffs, insurance editors and publishers, and from strangers to the business.

Our aim has been thus to contribute, though it be but slightly, to the sense of fraternity which more and more characterizes the institution of life insurance.

To all who have given evidence of good will engendered by this endeavor we tender our grateful thanks, and add a very special New Year's salutation.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, President

Independence Square

PHILADELPHIA

Mortality Record in '36 Poor for Life Reinsurers

Mortality in the life reinsurance field will add up to a unfavorable figure for 1936, thereby withering for the time being the hopes, generated by the very favorable mortality of last year, that the mortality bulge due to big risks written in the years preceding the depression had been cleared up.

The total amount of reinsurance in force is less than it was five years ago. The reduction is due to the smaller number of policies written, particularly in the large risk category. The average policy is still low, but the trend is upward and companies are being offered more big cases now than in a number of years.

Business Cases Exceed Personal in Big Lines

In the large risk group—and nowadays a case for \$50,000 or more is considered large—the business insurance cases outnumber the personal insurance ones.

The exceptionally large cases, such as the occasional application running up into the millions of dollars, are eyed very skeptically, and some of the companies will have no part of them. On any such extremely large case there is considerable chance that the insurance will be kept in force if the policyholder becomes impaired, but dropped otherwise. The case running from \$50,000 to \$100,000 is looked upon as the best type.

The development which will mean most to the reinsurance companies is the economic recovery of the substantial buyer of life insurance—the lawyer, the architect, the business man, the doctor—who so far cannot really be said to have got back into the life insurance market. Those in industry and farming have so far staged the best recovery from a reinsurance point of view.

Finances are very closely watched by reinsuring companies. The question which must always be borne in mind is, "Does his income justify the insurance?" On the medical side, circulatory diseases are the most important cause of death. This is true of the extra mortality found in this year's operations. Suicides, which during the worst of the depression were an important cause of death in the large income group, have of course improved greatly, although there has been a slight upward tendency recently.

Electrocardiograph and X-Ray Working Out Well

Special tests, such as the electrocardiograph and the x-ray, have pretty well come up to expectations and are widely used. Inspection company services are getting more complete all the time and the companies are becoming more and more convinced of the value of complete inspection reports.

During the depression the automatic type of reinsurance was virtually supplanted by the facultative, under which each risk is submitted individually to the reinsuring company before the latter accepts it. This was because the reinsuring companies found that their ideas on needed modification in underwriting, particularly on large risks, were changing much more rapidly than those of the direct-writing companies.

Some companies are now favoring automatic as against facultative. Preference for one type or the other is based to a considerable extent on the size of the direct-writing company's retention limit. The higher this limit is, the more desirable it is for the reinsurance company to have a chance to scrutinize the insurance before being bound on the risk, because of the less favorable mortality on large cases.

On the other hand, where the retention limits are not high, the automatic form has very definite advantage. It

enables the ceding company, when it has accepted a risk larger than its own limits, to issue the application without waiting for word from the reinsurer. This saves time and expense for the direct-writing company and the reinsurer.

Another desirable point about automatic reinsurance is that when the direct-writing company finds its reinsurer, it must retain its own full limits. With facultative reinsurance this is not necessarily the case. A company may reinsure the entire amount facultatively or retain any amount from nothing at all up to its full retention.

Those who lean toward the use of automatic reinsurance wherever it is feasible feel that the direct-writing companies' being in a position to know the source of the business, the type of agent writing it and other imponderables which do not show up in the papers, constitutes a safeguard that is very desirable, preventing the acceptance of risks which might look satisfactory on the basis of information available but which might actually be very undesirable.

Delay Now Minimized, Say Backers of Facultative

Those who favor the wider use of facultative feel that delays incident to its use are largely minimized by the use of air mail or telegraph and that it is still desirable to have a look at the risk before accepting it.

There are two general ways of granting reinsurance, first by a coinsurance agreement or second, the yearly renewable term plan. Under the first type, the direct-writing company pays the reinsurer a pro rata portion of the premium received and the reinsurer's coverage is equal to that of the ceding company. On the yearly renewable term basis the reinsurer charges a one-year term rate for an amount of reinsurance which decreases each year as the policy reserve builds up and the amount at risk lessens.

Social Security Radio Broadcasts by Klingbeil

F. L. Klingbeil, Detroit manager of the Prudential ordinary agency, participated in a series of three special radio broadcasts on life insurance and social security over station WJR. A radio commentator conducted the programs in question-and-answer style with Mr. Klingbeil and a member of the social security staff supplying the data.

Mr. Klingbeil was selected for the broadcasts because several years ago he spent two years in Europe studying social security programs.

Helpful to Insurance

Mr. Klingbeil brought out the fact that the passage of the social security act is helpful rather than harmful to life insurance and annuities because it stimulates people to think more carefully about their own security in their old age. There has been an increase in the number of life and annuity contracts issued since social security became a live topic of discussion, he said.

Mr. Klingbeil pointed out that the life companies aided the government in setting up the social security program by loaning them actuaries and technical experts. The government program will not replace private insurance, as one must retire at age 65 to enjoy the government pension, although few men will be entitled to a large enough monthly payment to enable them to live comfortably. Insurance provides the difference between the acts benefits

Decides to Return to Investment Business



L. L. HOWE

L. L. Howe has resigned as general agent at Chicago for the Home Life to reenter the investment business, in which he was engaged for about 13 years prior to joining the Home Life about four years ago at Kansas City. He will be connected with John Nuveen & Co., municipal bond specialists of Chicago, in an executive capacity. He has been in Chicago for the Home Life since Sept. 1. Previously he was manager for that company at Minneapolis, having been transferred there from Kansas City.

Chicago Life Men Greatly Concerned Over \$25 Tax

Directors of the Chicago Association of Life Underwriters are planning to meet this week especially to consider action which may be necessary to oppose the threat contained in a \$25 brokers' license ordinance passed by the Chicago city council last week. The law is so broadly phrased that the life men fear it might be invoked to impose the heavy extra occupational tax on all agents who place business with other than their own companies.

The association's legislative committee is disrupted due to resignations and is to be reorganized quickly by the directors. C. B. Stumes, Penn Mutual, is the sole remaining active member, and he is carrying on in the interim, studying the ordinance and seeking to formulate a defense for the agents in case the city officials decide to apply the act against them. Mr. Stumes feels the city's principal purpose was to increase revenue, and that the ordinance was deliberately drawn to include all persons handling insurance on "lives" for the assured in order to make it possible to tax the life agents, although the nominal purpose was to regulate and license general insurance brokers handling fire, marine, casualty-surety, etc. The life agents always have been deemed agents, even when placing surplus lines with other companies. However, the term "brokering" is used loosely to describe this function, and that may be the city's point of attack.

and the amount necessary for comfort.

The average income under the social security plan in 1945 will be \$19 per month; 1955, \$25; 1965, \$33 and 1980, \$46, according to Mr. Klingbeil.

Annuity live longer than other people according to statistics, said Mr. Klingbeil. Medical men declare that freedom from financial worry in old age is the greatest elixir of life.

Gordon H. Campbell, general agent Aetna Life in Arkansas and Louisiana, has been elected president of the Little Rock chamber of commerce.

Good Insurance Year In '37 Is Seen By Bailey

Prospects for the insurance agent in 1937 are promising, W. B. Bailey, economist of the Travelers, asserts. Dr. Bailey was professor of economics at Yale for many years before joining the Travelers about 15 years ago.

He predicts that 1937 will be a better year for life insurance than was 1936. Salaries and wages are increasing. People will have more money which they can afford to devote to life insurance than they have had for the past five or six years. Young people are finding jobs again and young men who have been taken in during the depression are receiving advances in pay and promotion at last. These young men are the best kind of prospects, according to Mr. Bailey. Many of them will buy a lot of life insurance during the next 10 or 15 years.

The social security act, Mr. Bailey concludes, will give people samples of the peace of mind which the possession of a future retirement income affords. It will make them want more.

He predicts that the social security plan will have about the same psychological effect on people that group insurance has. Group coverage has taught people the value of life insurance, he observed. It has made men want more. It has helped rather than hindered the sale of individual life insurance.

The national income should continue to increase during 1937, Mr. Bailey states, and with that increase will come a greater demand for accident insurance. Any year in which the national income is increasing, the market for accident insurance is expanding.

He points out that the development of the reimbursement accident policies has opened a new market for accident insurance. It has made wives and grown-up, but dependent, children subjects for this insurance. The widespread use of the automobile has intensified the need for the protection afforded by the reimbursement policies. The automobile has created a catastrophe hazard for the average family. All members of the family are often in the same car at the same time. Having one member of the family in the hospital would put a heavy financial strain on most people. Having two, three or four members running up medical bills would be enough to bankrupt the heads of most families.

Reimbursement accident insurance protection on all eligible members of the family is the best safeguard against such catastrophes.

He predicts that the reimbursement accident policies will continue to grow in popularity.

More new homes should be built. The building or buying of a new home expands a man's insurance needs greatly. He needs fire and supplemental coverage on the house; residence liability on the premises; additional fire insurance and if he borrows part of the money to pay for it, life insurance to cover the mortgage.

Mr. Bailey states it should be easier to sell needed lines of insurance to corporations. Insurance premiums are a legitimate business expense. If it is going to be expensive to pile up a surplus as a cushion against future losses, it would seem to be good business practice to buy insurance against all insurable contingencies.

Although there are a number of promising signs for business generally, there are a number of factors "which might upset the apple cart," according to Mr. Bailey. One is the outbreak of a war in Europe. Another is the

(CONTINUED ON PAGE 18)

Agreement Is Reached for Sale of the Atlantic Life

PRICE IS \$175 PER SHARE

Deal Made by Wilmington Investment House, Reported to Be Acting for Large Life Company

RICHMOND, VA., Dec. 31.—An agreement has been reached on terms whereby most of the 10,000 shares of the Atlantic Life's stock are to change hands at a figure reported to be \$175 per share. President A. O. Swink, the largest single stockholder, withdrew his opposition to the sale after a conference with E. A. Saunders, former board chairman, who was reported to have initiated negotiations for sale of the stock.

The offer for purchase of the stock was made by the Bankers National Investment Company of Wilmington, Del., acting, it is reported, for a large life company. The would-be purchasers want at least 6,675 of the 10,000 shares as a basis for a new operating plan. Assurances have been given that the company will be continued as a Richmond institution.

First Refused to Sell

President Swink says that he had absolutely nothing to do with initiating the negotiations and at first refused to recommend that any stockholder sell at \$175. Atlantic Life stock sold as high as \$657 per share in 1927, the peak year.

The proffered price represents a big increase as compared with the price quoted for the stock as recently as three weeks ago. The latest quotation was \$125. Some stockholders recently sold options on their shares for \$140.

The purchaser agrees to buy the entire issue provided the stock is deposited by Jan. 25. Par value of the stock is \$50.

Still Much Speculation as to Michigan Commissioner

LANSING, MICH., Dec. 31.—There is still much speculation as to Governor-elect Frank Murphy's choice of an insurance commissioner. Commissioner Ketcham will relinquish his post as soon as the new governor, who takes office Jan. 1, desires but the incoming executive has given no hint of his choice for the job.

Latest to receive backing for the position is John Hindelang of Detroit, life insurance man with the George H. Beach Company, an independent organization which maintains offices in both Detroit and New York. The company is not directly connected with any one life carrier but has contracts with several. Mr. Hindelang's earlier experience, covering some 30 years, was partly with the Mutual Benefit Life's Detroit general agency. He is said to have strong Detroit support and was endorsed recently by the Kalamazoo Life Underwriters Association. At least one other prominent life man, a former president of the Michigan Association of Life Underwriters, has been mentioned. He has refused to allow use of his name as an overt candidate, although it is believed he would take the office if it were tendered. Former Commissioner C. E. Gauss and J. W. Mundus, Ann Arbor, former president Michigan Association of Insurance Agents, are also mentioned.

Big Chicago Judgment on Credit by Accepting Check

An important precedent regarding the question of a company accepting a check in payment of premium was set in decision of the United States Circuit Court of Appeals at Chicago, awarding \$53,387

judgment to Mrs. Rose Mann in her suit against the John Hancock. She is the widow of F. L. Mann of Chicago, who committed suicide in 1930.

The jury's decision in that case turned on the unusual theory that the company's agent had extended credit by accepting a post-dated check given a few months before Mann's death, the date being after the end of the grace period on the policy. When the check was presented for payment there was not sufficient funds in Mann's bank account to cover it.

Problem of Long Standing

The U. S. appellate court concluded that this extension of credit by accepting the post-dated check precluded later repudiation of the extension of credit, and, further, that the agents had authority to extend credit to Mann on behalf of the company.

This question of accepting a policyholder's check in payment of premium has greatly troubled the life companies for many years. After a good many cases had turned against them on this point, the companies generally adopted a procedure of either stamping an endorsement on the back of the check or having one printed in the binding receipt in the application stipulating that acceptance of the check was for the purpose of collection only.

Levels Agents' Income

One of the most important questions engrossing the minds of general agents is some method of compensating agents that will give them a sufficient income so that they can live with comfort and be thoroughly well satisfied with what they are doing. One of the drawbacks in compensation of insurance salesmen is the irregularity of the income.

One manager has endeavored to level this income so that a man will see that he is getting a regular stipend. He seeks quality agents who give promise of being successful in this particular line of work. He finds that he can rarely interest anyone who is already getting more than \$200 a month. He employs an agent, for example, who has laid up something and can carry himself the first year or so. Then the agent begins to get renewals and as time goes on the general agent can work backward and see on the average what the man is actually earning. He puts the salesman's record on a three month basis. He figures out what might be termed a salary by getting the average earned for the previous six months. Along with each month a surplus is established equal to one-half of what is coming to him. The next

month his income may run down but he can draw on the surplus so that his average keeps up. If, however, the production declines too much then the salary is reduced. If the surplus is exhausted the salary is reduced until surplus is rebuilt. The surplus is used as a fund to level the income. Therefore a man can see what he is earning. His renewals, of course, are counted in on this leveling process. If he increases his current production and does not have to draw on his surplus it accumulates. Then he may have a slump. The surplus runs down but his income is level. An adjustment is made every three months and the salary, so to speak, is increased or decreased according to the actual experience. This gives an agent a steady income and if a company desires to pay a salary it can do so on a scientific basis. Naturally the plan is applied only to life salesmen that are successful. This manager finds that men when their current income falls off and their returns decrease often get depressed, but if they see this process working whereby they have a more equalized income they are more enthusiastic and the psychological effect is very noticeable.



MOST PEOPLE agree that owning life insurance is a good thing—but many never buy more than "a thousand or two" because they just can't see how additional life insurance fits into *their* particular situation.

The job of showing such a prospect how a substantial amount of life insurance does fit into his

financial picture is made easy for NWNL fieldmen by NWNL's Chart Plan of selling. It outlines briefly, graphically, and convincingly life insurance needs, and at the same time indicates proper, economical coverage of them.

Many fieldmen have told us that life insurance presented via the Chart Plan actually sells itself.

NORTHWESTERN NATIONAL LIFE INSURANCE COMPANY

O. J. ARNOLD, PRESIDENT

STRONG ~ Minneapolis, Minn. ~ LIBERAL

Linton Has Busy Chicago Day with Agents and Economists

M. A. Linton, president of the Provident Mutual Life, had a busy day in Chicago Tuesday. He attended and presented a paper at the joint meeting of the American Statistical Association and American Association for Labor Legislation. "The Problem of Reserves and a Possible Solution" was the topic of his paper.

Then he attended a luncheon of agents of the E. S. Albritton and the Marquis & Ellsworth Provident Mutual agencies. He gave an informal talk on affairs of the company and remained to answer questions until it was time to get his train.

Agents of the Provident Mutual always relish the opportunity to question Mr. Linton, because he is so well informed on all phases of the business and is willing to answer all questions.

Agents as Employees

Among the questions put to Mr. Linton was whether he feels that agents are likely to be held to be employees under the social security act. He expressed the belief that possibly agents may be held to be covered under old age pension provisions, but he said it is inconceivable that they would be held to be employees under the unemployment compensation provision. He pointed out that it would be exceptionally difficult to apply unemployment insurance to insurance agents, because of the difficulty of determining when an agent is unemployed.

If agents were held to be employees under the old age pension provision, Mr. Linton was asked whether there would be a conflict with section 97 of the New York insurance law, which limits the acquisition cost ratio. Mr. Linton said that there might be a problem in this connection, inasmuch as the contribution on the part of the insurer might put the compensation to agents above the permissible ratio.

He pointed out that a voluntary pension plan for agents would have to be cut to meet the requirements of section 97. One way of doing this would be to reduce renewal commissions.

Disability Income

Mr. Linton expressed surprise when some of the agents brought up the question of disability income. He said that this was the first time that subject had been brought up in a gathering of agents for more than a year. One or two of the agents said that they had found a demand on the part of younger men for this coverage.

Mr. Linton expressed the belief that the cost of disability income today is too high to be attractive to the assured, although actuarially, it is not too high.

In response to a question, Mr. Linton denounced the tendency to make survivorship benefits more and more complicated. The insurance companies, he observed, in going beyond a certain point, may be exercising trust functions.

Individual Sales

Some agents expressed interest in whether salary savings plans, pension trusts, retirement income contracts to the cost of which the employer contributes, etc., are likely to restrict the opportunity for the agent to make individual sales. Mr. Linton did not undertake to give final judgment in this matter, but he did express the belief that the door would not be closed, because many individuals still want to control their own insurance program. He said that due to these developments, together with the social security act, there will be an even greater necessity for training individual salesmen to sell on a professional basis. More and more intelligent work will be needed in the field.

Mr. Linton said that although there is a field for the agent in selling employee plans of one kind and another, the agent

who ventures into this big case field is likely to have many disappointments. He may work on a case for months and then see it slip from his grasp. There are many cross currents and influences that affect the placing of these plans and Mr. Linton's advice was to stay with the individual business.

Farm Mortgages

Speaking generally on investment questions, without reference to any particular company, Mr. Linton stated that the capital problem in the farm mortgage situation has been the stoppage of income when a company has been forced to foreclose.

In answer to another question, Mr. Linton exploded the commonly expressed theory that the average length of life of a policy is seven years. He stated that the average length of life of a policy is well over 12 years. The seven year figure is arrived at by taking into consideration policies in force.

He was asked about the competition of savings bank insurance in Massachusetts. He said misleading comparisons have been made, showing a big saving in cost in savings bank insurance. Those are ledger cost comparisons, he stated. The true comparison is on the basis of current cost and on this basis the Massachusetts savings banks can claim only a 10 percent advantage.

Life Insurance Atmosphere

He pointed out that the savings banks are operating in an atmosphere created by the life insurance companies. That is, the agents of the life companies create the desire for life insurance and occasionally a buyer will go to the savings bank for insurance. If life insurance companies and agents were not operating, the savings bank would have to incur an additional selling cost.

Mr. Linton stated the Provident Mutual is now preparing sales literature to tie in with the social security act. He said that people won't stop buying life insurance because of the social security act.

Mr. Linton discussed the current effort to eliminate part-time agents and all agents that are not qualified. He expressed the belief that the most important part of the campaign is the elimination of the unfit. The impression that they create, he observed, impairs the chances of qualified men to get a good reception when selling. He said that the weakest point in the life insurance situation is the great turn-over of the field force, and if the business were challenged on this score, it would not have much of a defense.

Mr. Linton in his formal address before the joint meeting in the morning, made a further valuable contribution to the thought on social security and the reserve setup. He offered four suggestions on how the present old age pension setup might be changed to give it a better chance of working satisfactorily.

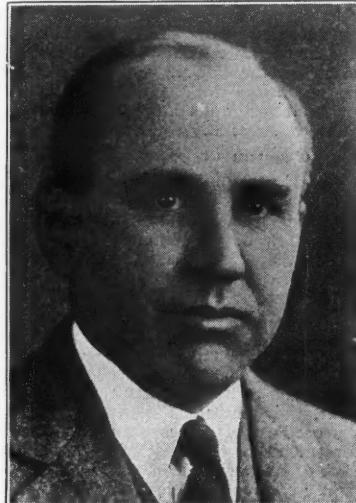
Reduce National Debt

"Continue in the future as in the past to reduce the national debt by means of general revenue funds instead of arranging for it to be bought up out of the proceeds of payroll taxes," he said. "This would reduce the interest that would thereafter have to be charged against general revenue funds. The amount of these funds thus released should be considered as available for old age pension purposes, when needed, in the same manner as the interest on the reserve fund would have been considered."

"Devote the receipts from the old age taxes almost entirely to the purpose of paying current pension benefits. In the early years build up a reasonable contingency reserve to help tide over years of depressed business when the tax re-

(CONTINUED ON PAGE 18)

Holcombe Marks His 15th Year With Sales Bureau



JOHN M. HOLCOMBE, JR.

John Holcombe, Jr., is observing Jan. 2 his 15th anniversary as manager of the Life Insurance Sales Research Bureau. He has received congratulatory messages from scores of his friends and business colleagues who join in paying tribute to his work during the past decade and a half at the helm of this non-profit, cooperative association, which is maintained by 131 life insurance companies in the United States and Canada and seven foreign countries.

It has the distinction of being the only organization in any line of business which is devoted solely to research in the principles of salesmanship and sales management. Much of the credit for building it to its present position of influence is given by the membership to the man who has been at its head since it first opened its doors with a full-time staff of two persons. As of the present time the staff numbers 44.

Mr. Holcombe grew up in a life insurance family, as his father was for many years president of the Phoenix Mutual Life. When a small group of life insurance agency officers started the bureau, in 1921 he gave up his position on the legal staff of the Phoenix Mutual and cast his lot in this pioneering venture. The bureau's first offices were in Pittsburgh, but were moved to New York in 1922 and in 1924 they were again transferred, to Hartford.

The heart of the Research Bureau's work is in personal consultation with member life insurance companies by members of the service department whose objectives are: (1) to translate and interpret to member companies the results of the bureau's research, surveys, and publications; (2) to assist in adapting this material to companies' individual problems, thus helping them to apply sound principles of agency management; (3) to assist in the bureau's research and survey work and to help build up its store of information. It is the aim of this group to be well rounded in all aspects of agency work and also to specialize on one or two subjects, such as agency costs, contracts, conservation, sales promotion, etc. During 1936, members called on each member company in Canada and the United States, making 198 regular service calls and as occasion has required and itineraries permitted, 114 shorter calls.

Some specific problems on which the bureau has worked during the past years are: Agency department organization, recruiting, selecting, and training agents, developing and training men for management, general agency and branch office costs, conserving business, national advertising by life companies,

See Expectant Attitude on Problem of Agent Earnings

FEEL ACTION IN PROSPECT

Believe Steps Will Be Taken to Meet

Threat of Loss of Effective

Man Power

HARTFORD, Dec. 31.—More and more general agents and managers are taking the stand that they are not going to invite men into the business when those men have steady positions, when there is almost no chance that the man may earn a living while going through his apprentice or testing period. Since desirable men without positions are becoming scarce, and since many in the agency ranks of even moderate success have been going back into salaried positions, the recruiting problem is becoming acute. Experiments are being made by some of the largest companies to meet the threat of a loss of effective man power in the business, and within another year some definite reports on these experiments may be available.

All discussions in the offices of general agents or managers today sooner or later reach the subject of the earnings of agents. One manager who has been brave enough to keep at his desk an exact record of the amounts which have been earned by each agent in his office pointed to one man who had written \$200,000 under the rules of his company, but his actual earnings were less than \$70 a month. Nearly all general agents and managers are in an expectant attitude toward agent earnings. They believe that something will have to be done before long and they are speculating as to just what it will be. They are bewildered at the thought of being in a business which makes a hero of a producer of \$100,000 of life insurance as they scan the figures which show what all of these heroes receive in coin of the realm.

supervision of agencies by home offices, territorial market analysis, budgetary control, sales promotion and public relations.

The thirteen original companies of the bureau were: American Central, Atlantic, Continental (now Continental American), Equitable of New York, Federal, Guardian, Jefferson Standard, Lincoln National, National Fidelity, National Guardian, Phoenix Mutual, Standard of Pennsylvania, and Union Central. These companies are still active in the bureau with the exception of the American Central, which is now a part of the American United, and the National Fidelity.

F. J. Mulligan Advanced

Frank J. Mulligan, former president New York City Life Underwriters Association and one of the Prudential's leading producers for 1936, has been made assistant manager of the Daniel J. Quinn agency of that company in Brooklyn, in charge of full-time production. Mr. Mulligan rolled up his enviable production record with the Prudential since May, when he joined the Wofford agency in New York City. In one month he led the entire company. He has been in the life insurance business 15 years, first with the Guardian Life of New York and later with the Mutual Life of New York. He headed the New York association in 1933-34 and before that was membership chairman and head of the committee which raised a cooperative advertising campaign fund.

Slocum Oregon Supervisor

Kelsey Slocum, Portland, Ore., has been named supervisor of the Reliance Life. He will become assistant to Robert Earl, manager of the Oregon department.

Revision Needed in Pension Trusts

Some Life Companies Review All
Agreements, to Avoid
Future Tangles

FAIL TO VEST CONTROL

Plan Must Conform With Social Se-
curity Aims, Not Just Gravy
for Insiders

NEW YORK, Dec. 31.—The sudden and widespread interest that has sprung up in the pension trust idea has revealed that many agreements as originally drafted need to be radically altered if they are to avoid future trouble. Some life companies insist upon reviewing the agreements before putting the policies in force. There is also indicated the need of caution among agents in outlining proposals to corporations.

There are two important points easily overlooked which must be watched in getting up a pension trust arrangement. First is the necessity of defining the trustees' powers so that all rights in the contracts are expressly vested in the trustees. Otherwise situations might arise which would be very awkward. The other difficulty is that the employer will try to set up his pension trust plan in such a way as to benefit only the stockholders and a few of the top ranking officers. It is fairly certain that any such arrangement as this will not be approved by the Treasury Department for tax deduction purposes, although the final word on this cannot be said until after income tax returns are filed this Spring and a number of decisions are given and perhaps carried to the courts.

Just where the line can be drawn in giving benefits to better paid employees and officers and not to the lower income group is difficult to determine with any great exactness, except that it seems likely that the government will frown on any plan which merely seeks to benefit a few of the big shots.

Benefits Are Indirect

Where the pension trust idea benefits the employing corporation is that it provides a twofold benefit to the employee over and above what the same expenditure would provide in direct salary increases: First, it gives the employee an old age income, thereby building up his morale and his willingness to identify his interests with those of his employer.

Then, too, in the better paid income group, the money paid into a pension trust for an employee is the equivalent of much more money than if he received it in cash, subject to personal income tax, and had to build up his own retirement plan. While this saving does not amount to much in the lower income tax bracket,

Takes Iowa Post



A. H. DOTY

A. H. Doty, who becomes general agent of the Mutual Benefit Life at Sioux City, Ia., has been the leading producer of the Jackson, Miss., agency of that company.

et, it is very important to the better paid personnel, since a highly paid officer, by reason of his high income tax, actually is able to retain perhaps two-thirds or even less of any extra income he might receive above his present income.

Covers Entire Lifetime

In effect, the pension trust arrangement permits an employer to pay his employees an income covering their entire lifetime instead of just their business lifetime. Paying on such a basis keeps the average annual payments down and keeps down the excessive bulges in the years of highest earning power, where the income tax hurts most.

A point which should be taken into consideration is how much of the money paid into the trust is for current year's liability and how much is for accumulated liability covering past years of service, as full exemption from current income tax may not be taken for payments made on account of accumulated liability but must be spread over the future years.

Should Stress Indirect Savings

Tax experts are of the opinion that agents should not lay too much stress on tax savings obtainable by the employer, but rather on the indirect benefits of having a loyal group of better-paid employees who are being helped to provide for their retirement years in a way that gives them the fullest value of the dollars expended for this purpose, in as much as they are arranged so as to miss in the greatest degree the blighting effect of taxes.

Many a Field veteran will tell you that one of the biggest "kicks" he gets out of his work is watching the smile on the face of a client who receives his first monthly income check.

"'Homing' Dollars", the Metropolitan advertisement in the January magazines*, tells the story of a great day in any man's career—the beginning of a guaranteed income for life.

When prospects realize the value of the income payments being made to living policyholders, they will be more interested in learning how they, too, may share in the security which life insurance affords.

*Business Week, Collier's, Cosmo-
politan, Forbes, Nation's Business,
Saturday Evening Post, Time.



METROPOLITAN LIFE INSURANCE COMPANY

Frederick H. Ecker, Chairman of the Board
Leroy A. Lincoln, President

ONE MADISON AVE., NEW YORK, N. Y.

THE WEEK IN INSURANCE

Important insurance issues taken up at annual meeting in Chicago of university teachers of insurance. **Page 1**

* * *

New commissioners' sub-committee on examinations named. To confer on new proposal by Superintendent Pink to co-operate with the New York department on examinations. **Page 1**

* * *

Willard K. Wise is appointed vice-president in charge of agencies of the Provident Mutual Life. **Page 1**

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Reassurance and comfort seen in events of 1936 by Legislative Counsel Klocksin of Northwestern Mutual Life in annual life insurance review. **Page 2**

* * *

Life companies receiving requests from disabled policyholders to commute their disability payments and pay lump sum. **Page 3**

* * *

Pacific Mutual Life story was outstanding life insurance news of 1936; other events reviewed. **Page 3**

* * *

Ordinary premium rates revised upward by Western & Southern Life, disability income clause discontinued. **Page 14**

* * *

New interests arrange to purchase control of Atlantic Life. **Page 5**

* * *

Widespread interest in pension trusts indicates need of having agreements properly drawn if future tangles are to be avoided. **Page 7**

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Pacific Mutual Supplied Biggest 1936 Life News

(CONTINUED FROM PAGE 3)

callable provision than they used to, and many sound corporations took advantage of the extremely low loan rates available to retire their bond issues and refinance at the big savings that were and still are possible. Some companies which had refunded comparatively recently found it profitable to pay the call premium and refund again.

Effect on Dividends

Low interest rates and lack of improvement in the immediate outlook were reflected in dividends announced for 1937. In the main the changes were due solely to changing the interest factor. Another effect was to influence non-par companies toward putting out a supplemental participating line, so that necessary rate rises in non-par would permit the buyer a choice if he thought the par form a better buy.

Taxation was much in the air in every line of business and for a time there was some anxiety about how the federal undistributed profits tax would be applied to life companies. As it worked out, however, the special position of insurance companies was recognized and as finally applied the federal tax was little if any more than it had been.

Estate Tax Exemption

The federal tax question also came up in another life insurance connection. Attempts were made to have exempted from federal estate taxes all life insurance earmarked for the payment of federal death duties on the balance of the estate. This failed of passage, but recently hope has been revived that Congress will enact a modified form of this measure in which not only life insurance but all other property so earmarked will be exempt.

An indirect effect of the undistributed profits tax in business generally was to make a ready market for salary savings plans and pension trusts, since firms could provide benefits for their employees in which because of tax savings the government in effect matched the employer's contributions almost dollar for dollar.

Recruiting More Difficult

Throughout the year the recruiting of new agents grew progressively more difficult, and it was bad enough at the start of the year. General agents and managers were under pressure to put on only quality agents and yet had to keep acquisition costs down. Other lines of business were showing a better recovery than the life insurance business, which was showing a slight drop from 1935 production.

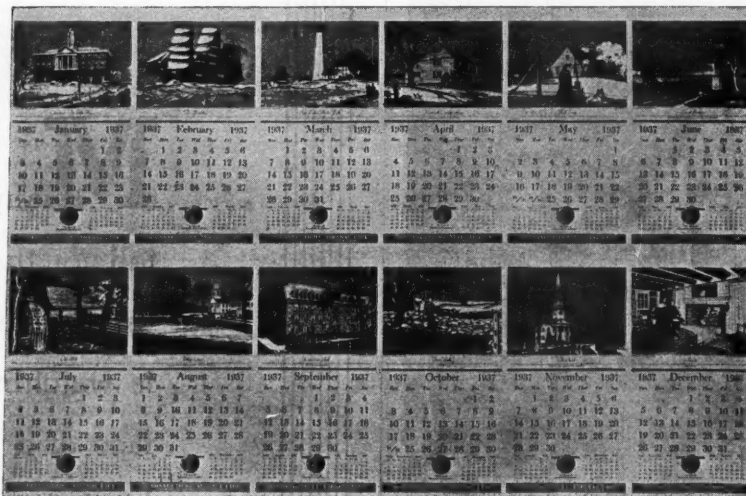
Consequently there are more opportunities in other businesses than in several years, resulting in greater competition for men who might have made good agents. In some cases those who were not firmly rooted in life insurance went back to their old lines because of opportunities that looked like more money.

In addition to continued emphasis on the ultimate economy of quality business from quality agents, recognition of the need for financing men coming into the business helped swing the trend toward younger agents. For one thing, if financing has to be done, it might as well be done where it can be done most economically. Experiments have been conducted with salaries and there appears to be reason to hope that a successful formula will eventually be worked out.

No Change in Underwriting

Underwriting standards changed little if any during the year, but the low interest rates, with the consequently small margin of excess interest, made it unlikely that any slackening in underwriting would be practicable for some time to come. Toward the end of the year, quite a few big cases—\$50,000 and

Historical Connecticut Calendar



A historical wall calendar illustrated in colonial blue and black with scenes of early Connecticut, is being distributed by the Connecticut Mutual through its agents. All the illustrations are typical of early Connecticut and in the majority of cases the subjects are still preserved. The calendar is designed to symbolize the stability, industry and progressiveness of early Connecticut, the background in which the Connecticut Mutual was founded and has operated since 1846. The illustrations include such subjects as Connecticut's old state house, "The Dauntless," a sailing vessel constructed in Connecticut in 1689; the New London harbor light, which has protected seamen for more than a century and a half, a 17th century house, a well sweep, covered bridge, an old mill, a typical village green and Connecticut Hall at Yale University.

more—came in, most of these being business insurance or tax cases. One of the biggest was the \$2,000,000 Shirley Temple case.

Disability losses, which have so far cost companies several hundred million dollars, appeared to be considerably less in 1936. Some companies had for several years been paying smaller dividends to those having the income disability provision in their contracts. Some policyholders could not see the justice of this and took the matter to court. In May, 1936, the New York supreme court's appellate division decided that the practice was entirely fair. Since that time at least one other prominent company has decided upon following this course for 1937 dividends.

Dragged Into Campaign

The life insurance business, which eschews politics, was dragged unwillingly into the presidential campaign when Colonel Knox, the Republican vice-presidential nominee, predicted that no life insurance policy would be safe if the Roosevelt administration continued its nefarious practices. Shortly after this, leading life insurance executives were invited to a conference at the White House, from which highly reassuring statements about life insurance emanated. Neither Colonel Knox's alarms nor the subsequent denials and reassurances seem to have had much effect one way or the other on the institution's steady course, being taken largely as so much political campaigning.

Five of the largest companies acquired new presidents during the year. President Ecker of the Metropolitan Life advanced to chairman of the board and was succeeded by Leroy A. Lincoln. President Buckner of the New York Life was similarly advanced and was succeeded by A. L. Aiken.

In the three other companies the shift was caused by the deaths of the then presidents: Guy W. Cox succeeded Walton L. Crocker of the John Hancock Mutual; B. J. Perry stepped into the place vacated by W. H. Sargeant of the Massachusetts Mutual; and W. H. Kingsley took over the reins of the Penn Mutual after W. A. Law's tragic death in a hunting accident.

Reassurance and Comfort Seen in Past Year's Events

(CONTINUED FROM PAGE 2)

the Cedar Rapids Life late in the year. The General American Life moved toward mutualization by disposing of its block of Southwestern Life stock to Dallas, Texas, interests. Following this, its merger with the recently organized Mutual Life Insurance Company of Missouri was approved by a number of state insurance departments.

The National Guardian Life of Madison, Wis., has practically completed its plan for mutualization.

Approval by the California courts of the rehabilitation plan of the Pacific Mutual Life as recommended by Commissioner Carpenter of California means ultimate full mutualization of the company. The achievement of the rehabilitation plan is a tribute to the untiring and effective work of Commissioner Carpenter. Praise also is due Commissioner Smith of Utah as the representative of the National Association of Insurance Commissioners and the several state commissioners participating. The result was acclaimed on all sides.

Sees Definite Comfort and Reassurance in Tendencies

There were many things about the year that were comforting and reassuring. A definite upward trend in general business and a returning confidence of the people in the future of the nation were fully evident. The presidential election had its rewards, for the old-age pensioners, the share-the-wealthers, and the currency inflationists were buried in the political graveyard.

President G. S. Nollen of the Bankers Life, as president of the American Life Convention, addressing its annual meeting at Dallas, Tex., conceded that the economic structure and world relationship have changed, bringing imperative needs for modification in governmental methods and mechanism, but Mr. Nollen held that the fundamental principles of the government continue to remain the same.

Very timely were the remarks of President L. A. Lincoln of the Metropolitan Life at the annual meeting of the American Bankers Association, in connection with present advances in social betterment. Mr. Lincoln's theme was based on an old English maxim: "Make haste slowly," which he suggested could be applied with considerable propriety to present day questions.

Sees No End of Individualism in Social, Economic Changes

While authorities generally agree that there has been a tremendous change in our economic order, many seem to think, too, that there has been a widespread readjustment in our social order and that individualism has died in the transformation. With due respect to the latter view, it is doubtful that there has been a profound change in the American character. There is little to show so far that our people are seeking an order in which individualism will be stifled.

There is, moreover, evidence today of the unconquerable spirit of our people. Individualism is hardly dead in a nation in which millions have provided for their own security and that of their dependents through a system that has stood the test of time: American life insurance.

Disabled Insured Asking Lump Sums

(CONTINUED FROM PAGE 3)

recovery without resort to any particularly salubrious climate and hates to see the steady flow of checks from the insurance company come to an end. He feels that his present state of disability can be made to look as if it is going to be total and "permanent" for a long time to come. Perhaps he has already recovered sufficiently to go back to work and is afraid it will be only a short time before the company catches up with him. Consequently if he can get a cash settlement now, he is just that much better off.

Sometimes Compromise Disputes

While the general policy has been to discourage compromises where there is no question of the legitimacy of the claim, there have been quite a few compromises where companies felt that they were morally in the right but knew they would have little chance of proving their cases in a courtroom.

The compromising of such cases saves money not only by avoiding legal battles, but cuts out the expense involved in inspection work on doubtful cases. Particularly, however, it frees the large reserve which it is necessary to maintain on a disability policy under which there is a claim. Sometimes these policies are compromised on a basis which leaves the death insurance portion still in force and in others the entire policy is purchased for the agreed-upon sum.

Puckette Succeeds Frank as "Insurance Field's" President

Ashbrook C. Frank, president of the "Insurance Field" has resigned because of ill health which has kept him away from his office in New York City since last spring. Editor John E. Puckette has been elected president to succeed Mr. Frank. Mr. Puckette, who will continue as editor, joined the staff of the "Insurance Field" at the home office in Louisville in 1926. He was transferred

to New York City as associate editor in 1928; appointed news editor at the home office in 1929; advanced to managing editor in 1934, and then to editor in 1936.

Mr. Frank's health became impaired early in 1935 soon after he took office, but he continued at work as his health permitted. Mr. Frank has been actively connected with the "Insurance Field" for more than 26 years and prior to his election as president in December, 1934, he had served as resident vice-president of the New York City office.

Joseph Futz' Triumphal Tour to Indianapolis

EIGHTY-FOUR, PA., Dec. 31.—Joseph Futz, peerless insurance leader, arrived at Eighty-four yesterday morning from Pittsburgh, having had a veritable triumph at Indianapolis where, at the sumptuously appointed Indianapolis Athletic Club, he made an outstanding address Monday evening before the agents of the Union Mutual Life, introduced by Assistant to the President Harry V. Wade, as "a life underwriter renowned, farseeing and constructive." Joseph informs us that as he rose to speak, A. T. T. P. Wade, with hands uplifted, brought all the agents to their feet and with loud huzzas, tendered Joseph a tremendous ovation. At the farewell party tendered Joseph last Saturday evening here at Emanuel Lutheran Church, he gave us the Indianapolis oration, characterized by Rev. Eubach as a "classic and one that will go thundering down the years." Joseph was taken by A. T. T. P. Wade to the new head office which the United Mutual will soon occupy. Mr. Futz described the building as "palatial in appearance, stupendous in its appointments." During his visit, A. T. T. P. Wade accompanied him to the state house, where he was presented to Insurance Commissioner Harry E. McClain in his private office. Mr. Futz described Hon. McClain as "a man second only to our own beloved Hon. Hunt of Pennsylvania. He believes in America first, and is opposed to the monarchs of Russia and China, when they try to inject themselves into our insurance operations."

Joseph has high praise for A. T. T. P. Wade, characterizing him as "a man 100 percent American, a he-man who is on the road to fame and fortune."

Van Vliet Continues Agency

With the retirement of his partner, T. F. Keer, E. N. Van Vliet will continue as manager of the Newark ordinary agency of the Prudential. Mr. Keer, associated with Mr. Van Vliet since 1909 in the management of the Prudential's northern New Jersey territory, retired from active service Dec. 31. Mr. Van Vliet joined the company as an agent in Newark in 1903 and in 1907 was made superintendent of agents in that territory, holding that office until being made agency manager. Mr. Keer was the first president of the Northern New Jersey Life Underwriters Association and has served on several of its committees.

Gives Advice on Partnership Cases

Complexities of business insurance arrangements are so great that life agents should confine themselves to the life insurance angles and leave legal matters to the lawyers, Gerard S. Brown, leading producer Patterson agency Penn Mutual, Chicago, C. L. U. and past president National Chapter of C. L. U., comments.

To step outside the agent's province may result in the client's interests being jeopardized, Mr. Brown says.

"A strong tendency appears to prevail for devising complicated plans of settlement, many of which have possibilities of defeating not only their own ends but also the main purpose of the life insurance involved," Mr. Brown writes.

"Some partnership settlements easily may lead to confusion and litigation. The consensus among attorneys with whom I have conferred is that in a partnership a partner hold title to his interest as long as he remains a partner; his share automatically transfers to his executor or administrator in event of his death during his tenure as a partner; that it is beyond the power of an executor to release his interest without consideration.

Chicago and Peoria Offices of Patterson Agency Meet

The Penn Mutual forces in Illinois outside of Chicago held its annual all-day meeting and dinner at Peoria. The Patterson agency—after Jan. 1 to be directed by J. M. Royer as general agent—will hold its one-day convention at the Edgewater Beach Hotel, Chicago, Jan. 2.

A. E. Patterson, who becomes vice-president of the Penn Mutual, and J. M. Royer attended the Peoria rally, others present including F. A. Schnell, downstate general agent, and W. S. Porter, Champaign, and E. P. Connolly, Springfield, assistant general agents. There was a full program of talks by these men and various agents. About 30 agents under Mr. Schnell attended. Mr. Patterson was presented a gold inscribed watch chain on behalf of his entire agency organization.

New England Mutual Names Partridge General Agent

The New England Mutual Life has promoted Richard W. Partridge from manager of its office at 140 Congress street, Boston, to be general agent in charge of its fourth agency in Boston.

Mr. Partridge is well known to the fraternity of Boston. During the past several years he has written a large volume of insurance and has proved his capacity to interest and train an effective agency staff.

Lincoln Meeting Planned

General agents of the Lincoln National Life will convene in Chicago Jan. 11 for a three-day session, to end Jan. 13. The gathering will be featured by a banquet to be held at the Edgewater Beach the evening of Jan. 11. A cocktail party will precede the dinner.

A. J. McAndless will speak at the dinner. Recruiting will form the principal discussion theme of the convention.

Prudential's Group Changes

Andrew M. Rollins has been promoted by the Prudential to group manager for Region A, with headquarters in New York City. W. T. Savitts, home office representative in Cincinnati, succeeds him as assistant manager in New York. Other changes in group home office representatives are: K. C. Penwell, Kansas City to Boston; W. P. Steel, Chicago to Newark; J. L. Folk, Jr., Atlanta to Philadelphia; H. F. Tyndall, Philadelphia to Pittsburgh.

in escrow seems the most advisable procedure wherever possible.

"I believe very strongly that underwriters should be careful not to introduce ideas which are likely to complicate the primary purpose of the protection merely for the sake of securing some collateral advantages. The misunderstanding and lawsuits which are almost sure to ensue will not help the institution of life insurance in my opinion.

"Moreover, in offering advice involving legal problems, it will be wise for the underwriter to suggest that his recommendations be reviewed by attorneys for the partnership or corporation. It places the final responsibility for the action where it properly belongs, and is a courtesy which life underwriting owes to the legal profession. It is hardly necessary to say that it is always advisable to place insurance in force at the earliest possible moment in the case, with a temporary agreement if necessary. With rare exceptions I have found that lawyers will assist rather than hamper an intelligently presented sale, and in some cases their collaboration has been very valuable in closing."



PROTECTION

THREE hundred years ago the pioneer settlers of the Pilgrim Colony guarded their families with flintlock and blockade.

Protection is just as much needed today—not against a foe that can be shot down, but against financial want. It is achieved through the modern method of life insurance which protects every member of the family.

The times are ripe for the expansion of this great protective force in America. The country is alive with industrial and commercial activity. The National City Bank of New York reports that a group of 245 leading corporations, with an aggregate net worth of \$10,368,000,000, had a combined net profit for the first nine months of 1936 that was 63% greater than in the same period last year.

PROFITS of 245 Industrial Corporations First 9 Months, 1936

No. of Companies	Industry	Per Cent. Change
1	Autos—General Motors	+ 53.0
7	Autos—Other	+ 90.5
16	Auto Accessories	+ 31.9
5	Aviation	+ 74.1
5	Baking	+ 40.0
15	Building Materials	+ 64.5

No. of Companies	Industry	Per Cent. Change
11	Chemicals	+ 45.9
8	Coal Mining	- 39.5
5	Drugs and Sundries	+ 55.5
8	Electrical Equipment	+ 55.5
14	Food Products—Miscellaneous	+ 30.7
11	Household Goods and Supplies	+ 27.3
1	Iron and Steel—U. S. Steel	+
14	Iron and Steel—Other	+ 133.5
5	Liquors	- 1.0
14	Machinery	+ 132.1
5	Merchandising	+ 98.9
9	Mining—Non-ferrous	+ 28.6
6	Office Equipment	+ 27.3
8	Paper Products	+
14	Petroleum	+ 120.2
7	Railway Equipment	+ 371.6
9	Textiles and Apparel	+ 60.5
5	Tobacco (Cigars)	+ 6.2
24	Miscellaneous Manufacturing	+ 39.8
18	Miscellaneous Services	+ 100.6

A veritable cascade of dividends is descending on the land. Reviving prosperity is disbursing money for the first time in several years through wage increases and bonuses.

These splendidly heartening conditions combine to make the closing weeks of 1936 a period of most exceptional opportunity for the Field Men of America.

NEW ENGLAND MUTUAL LIFE INSURANCE CO.

Boston, Massachusetts

GEORGE WILLARD SMITH, President

EDITORIAL COMMENT

Day's Source of Managerial Talent

IN THE old days, a general agent or manager was usually a man who was more or less outstanding in his community, who had learned the business and been successful as an agent, and who might draw a certain number of agents to him through his personal prestige. The company wanted as its general agents, whether they were good agency executives or not, men who "stood well," who were business leaders, etc.

Now the picture is changing somewhat. It is recognized that a general agent or manager has to have certain special training and an aptitude for educating and training men; if he has these, he may almost as well be a stranger in town, and so long as he is respectable and reliable, it makes little difference what his community standing is. And especially, the mere fact that he has been an outstanding personal producer does not mean that he has the necessary qualifications for a sales manager. He may, in fact, be a very poor personal salesman of life insurance and yet have the qualities necessary to make a success as head of an agency.

In short, the business is coming to recognize that there must be special training and aptitude for the job of a manager, just as for a personal producer. While many of the qualifications

run parallel they are by no means the same throughout. Training as an agent is no doubt a help in making a manager, but it is by no means the most important.

A recent tendency seems to be that companies like to bring their prospective agency managers into the home office for a course of home office training before putting them in charge of a territory. There have been any number of cases like this recently. A man may work in the field as an agent or as a supervisor and be promoted to the home office as an assistant superintendent of agencies; but instead of going on up in the home office he is just as likely to be selected to take one of the vacancies in the general agency field as not. Then there is the supervisor who gets a certain amount of training in handling and developing men in one of the agencies and he works on in the hope that he will be selected for one of the vacancies among the general agencies as they may occur.

The point is that companies are not promoting agents to be general agents as much as they formerly did, but are looking for men specially trained in agency supervisory work and if the man has the advantage of a period at the home office in some capacity or other, so much the better.

The Power of Salesmanship

THE obstacles that have been overcome by life insurance salesmen since life insurance first began to be written have been so great that it is hard to conceive of any condition or set of conditions that would keep life insurance from moving permanently forward. In the old days life insurance salesmanship was all "drive"; there was very little in the way of "service," of "fitting the policies to the man," etc. It has often been said that the vast amount of life insurance in force in this country today is not necessarily because of the peculiar idealism of the American people or the demand on their part for life insurance protection, but rather because of the salesmanship and advertising ability developed within the business which caused people to buy life insurance when the need was implanted in them by the agent rather than when it germinated of its own accord.

Some agents appear to be apprehensive that because the government has made provision for pensions starting at age 65 based on subsistence only a point

or two from actual starvation, the life insurance business is to suffer because of the "encroachments" of the government in the old age monthly income field. The same was said of the casualty business when various states took over workmen's compensation, the leading casualty line, and made it a state monopoly; yet the casualty business has not ceased to grow in volume and the other lines have developed a premium volume far in excess of that lost through workmen's compensation by the state.

Just how much the United States old age pension plan is going to affect the insurance business depends on how much "power of salesmanship" there is in the business. When it is considered that the reserves of the pension plan would in time reach 47 billions and that thus far the life insurance companies have not accumulated a total of reserves of half that sum, it might seem that the government has taken a terrific wallop at the life insurance business; but when it is also considered that this 47 billions of reserves represents an obviously in-

adequate old age pension to anyone, the fact emphasized is not that the Government has occupied the life insurance field, but that life insurance up 'til now has scarcely scratched the surface; a fact which is called to the attention of life insurance men from time to time.

If the Government's entry in the old age pension field should prove to be true that it has noticeably slowed up life insurance production it will only show that the life insurance business has lost its old time power of salesmanship. Beyond the shadow of a doubt, the op-

portunities for writing life insurance, in the face of the Social Security Act, are at least ten times as great as the average of those opportunities from the time life insurance began to be written down to the present.

If life insurance should slow up in the face of government old age pensions we should truly be ready to believe that regimentation, bureaucracy, socialization and the like have really stemmed the tide and dammed the energy of our traditional American initiative and enterprise. But we have no such fear.

PERSONAL SIDE OF BUSINESS

George J. Willis and Miss Evelyn Cartwright were married Dec. 26 in Christ Church Chapel, Cincinnati. Mr. Willis is with W. A. R. Bruhl & Son, Cincinnati managers of the Home Life of New York, and the bride is a daughter of J. O. Cartwright, circulation manager of THE NATIONAL UNDERWRITER.

At a Christmas party given in the offices of the Ohio department, Insurance Superintendent **R. L. Bowen** was presented a Scottish Rite ring. Gifts also were presented Deputy Superintendent L. H. Kreiter and Assistant Superintendent Raymond Rhoades.

Edward A. Meyer, 70, former executive of the American Central Life, died at his home in Indianapolis after an illness of 11 years.

He assisted in the organization of the American Central Life in 1899. He was previously with the Indiana Life, which was taken over by the new company at that time. He served as comptroller, secretary and vice-president. He was a director of the company for many years but retired in 1927 because of impaired health.

David T. Johns, Los Angeles general agent of the Pacific Mutual, died at the age of 42. He had been with the company for 10 years.

President **H. L. Seay** of the Southland Life is reported improving after a long attack of illness. He is expected to leave the hospital soon.

G. B. Young, vice-president and general counsel of the National Life of Vermont, accompanied by Mrs. Young, spent the holidays with their son, John S. Young, in Los Angeles.

W. D. Middlesworth, veteran producer of the Mutual Life of New York with the Hastie agency, Chicago, accompanied by Mrs. Middlesworth, is leaving for St. Petersburg, Fla. They will return about March 1.

James J. Harrison, Little Rock, Arkansas, manager of the Union Central Life and also Arkansas director of the national emergency council, attended the council meeting at Kansas City to consider drought problems.

Bernon F. Mitchell who recently resigned as general agent of the General American Life at San Francisco, will

enter the publishing business. He has purchased "Pacific Skipper," "Pacific Work Boat" and "Pacific Yacht Register." He has opened offices in San Francisco. Mr. Mitchell has long been an ardent yachtsman. He is the son of E. Forrest Mitchell, former insurance commissioner of California.

John C. Stanton, 84, retired manager Montreal division Sun Life of Canada, died at his home. He had been with the Sun since 1901 and went to Montreal in 1903.

Mr. Stanton retired in 1929 after having built the Montreal office into one of the largest agencies of the company. His early experience was with the Equitable of New York, and he started with the Sun in Pittsburgh.

He was the dean of Montreal life insurance men.

W. W. Carter of the Elmer Abbey agency of the Aetna Life in San Antonio, Tex., who specializes on estate tax problems, spoke to the trust section of the Texas Bankers Association at Dallas on "Federal Estate Income Tax and Gifts as Related to a Trust."

Col. C. B. Robbins, manager and general counsel American Life Convention, has been reappointed a director for four years of the Federal Home Loan Bank of Des Moines and chairman of the executive committee for one year. He has been an official of the bank since organization, having been president in 1932.

Mr. and Mrs. Hugh B. Strecks of Charlotte, Mich., announce the marriage of their daughter, Mary Janet to Edward F. Powers, son of Mr. and Mrs. Perry F. Powers of Cadillac, Mich.

Mrs. Powers is well known in insurance circles having been associated with her father for the past five years in the Dilley agency. Mr. Powers is affiliated with the New York Life.

H. F. Sleeper, San Francisco general agent of the Lincoln National, underwent an abdominal operation in St. Francis hospital in his city.

David R. Hoover, Detroit home office representative of the Columbus Mutual Life, is taking a vacation at Miami, Fla. He left Detroit the day before Christmas and will return sometime after the first of the year.

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NEWS OF THE COMPANIES

Pan-American Is 25 Years Old

Celebrate Silver Anniversary with Special Policy and Promotional Material—In Strong Position

To celebrate its 25th anniversary the Pan-American Life has prepared a special portfolio containing a special silver anniversary policy and other promotional matter. In a message to the agents in the portfolio President Crawford H. Ellis said that the Pan-American's assets are in a more liquid condition than ever before in history, as practically 65 percent of its reserve funds are invested in securities which can be converted into cash on short notice. The bond account consists of high grade municipal and government securities which have \$700,000 market value over book value.

The anniversary policy is a 20-payment life optional premium reducing non-participating form with a provision for return of 75 percent of the net premiums in event of death within the first 10 years. The policy has coupons which may be detached and used to reduce the annual premium, or they may be left on deposit to accumulate 3½ percent compound interest. If coupons are left on deposit the policy will be paid up at the end of 15 years. A policy written at age 35 with a premium of \$41.47, at the end of five years will have a cash value of \$86.15, with an accumulated value of coupons of \$29.22, making a total cash value of \$115.37. At the end of 20 years the coupon and cash value will total \$841.07.

Rates Are Given

Rates for the policy at five year intervals are:

Age	Prem.	Age	Prem.	Age	Prem.
20	\$31.71	35	\$41.47	50	\$60.44
25	\$4.30	40	45.97	55	73.74
30	37.42	45	52.22	60	94.37

A package of giant novelty matches and a memo book are offered as attractive souvenirs for policyholders and prospects. A special application form will be used for the anniversary policy.

The Pan-American Life was founded in 1912, and the following founders are still active: Crawford H. Ellis, president; Edward G. Simmons, vice-president and general manager; Eugene J. McGivney, vice-president and general counsel, and Dr. Marion Souchon, vice-president and medical director.

Missouri State Liens Are Now Reduced to One-Half

ST. LOUIS, Dec. 31.—The General American Life is making a \$5,000,000 reduction in the liens on certain policies of the Missouri State Life, whose business was taken over by the General American Life in 1933.

This reduction will amount to \$20 on each \$100 of lien still in effect, and will bring the total of such liens still outstanding to only about \$16,000,000. Originally total liens of \$32,000,000 were placed against the policy reserves of the Missouri State Life to offset a deficit of \$29,000,000 in its assets.

The adjustment of the lien balance being made this year is in addition to those provided for in the sale agreement between the General American Life and Superintendent O'Malley at the time of the reinsurance. The extra \$5,000,000 reduction in the liens was made possible by the appreciation of the assets of the Missouri State Life and through economies effected by the General American Life.

California Associations' Change

Three California life and benefit associations have asked permission to transform to mutual life and disability

insurers operating on the stipulated premium plan, with provision for assessment. They are the State Mutual Life Association, Los Angeles, to be known as State Mutual Life Insurance Company; Progressive Life Association, Los Angeles, to be known as Progressive Life Insurance Company, and the Great States Life Association, Los Angeles, which requested permission to operate under the name, Great Western Mutual Life. As there is a regular old line life company licensed in California whose name is similar to that chosen by this latter association, another selection will be required by the California department.

The Beneficiaries Mutual Life Association of Los Angeles also plans to change its name to Century Life Insurance Company.

Great Republic Life Deal

The time limit on the proposition offered by C. W. Gunter, an Oklahoma City banker, to purchase stock in the Great Republic Life of Los Angeles expires shortly after Jan. 1. It was announced in Oklahoma that Mr. Gunter had been elected president of Great Republic Life. Apparently the deal has not been completed, however. His election as president is contingent upon the company being sold to him. The Great Republic Life has been operated by the California insurance department for some time, with Commissioner Carpenter as conservator.

Wichita Company Merger

The Farmers & Bankers Life of Wichita has taken over the National Old Line Life of Wichita, according to announcement by Commissioner Hobbs of Kansas. The National Old Line Life was incorporated in 1927 and at the end of 1935 it had \$300,559 in assets, with a capital and surplus of \$200,000, \$27,000 paid insurance and \$1,247,852 in force. In its early days the company was more active, having had over \$3,000,000 insurance in force in 1930-32. The income, which reached a peak of \$107,984 in 1934, dwindled to \$32,915 in 1935. The National Old Line Life operated in Kansas only and wrote non-participating business. J. W. Greenleaf was president.

The Farmers & Bankers Life in 1935 had \$10,371,962 admitted assets and \$50,763,646 insurance in force. Its capital and surplus is \$675,000 and last year it paid for \$12,477,360 insurance. H. K. Lindsley, president of the Farmers & Bankers Life, is a former president of the American Life Convention. The company operates in nine states.

Issue Pacific Mutual Decrees

Three decrees have been issued on the Pacific Mutual by the Richmond, Va., circuit court. They provide the following:

Authorization of the state treasurer to collect coupons on bonds and to pay minor expenses of the receivership; to cancel a policy obtained through misrepresentation, and naming W. E. Crawford commissioner in chancery to attend to the receivership details.

Commissioner Bowles has been named permanent receiver for the old Pacific Mutual Life in Virginia. He had previously been temporary receiver. W. E. Crawford, Richmond attorney, is special court commissioner assisting Mr. Bowles.

Probe St. Louis Benefit Outfit

MILWAUKEE, Dec. 31.—Inquiries have been received by the Milwaukee Better Business Bureau regarding the Franklin Life Benefit Association of St. Louis, said to be offering life, accident and old age protection by mail at \$1 down and \$1 a month. The offer is being made to men, women and chil-

dren from 1 to 80 years of age, without requiring a medical examination. The company is not licensed in any state. According to a report from the St. Louis Better Business Bureau, the company has been under investigation by postoffice inspectors.

Finley Joins Home

The Home Life has added Charles A. Finley to its home office sales division. Mr. Finley has been active in insurance circles in New York City for 10 years. For the past six years he has been an assistant manager in the Times Square agency of the Prudential. Prior to that he was for several years a brokerage supervisor with the Elliott Hall agency of the Penn Mutual. He had two years of experience as a salesman for a textile manufacturing concern before entering insurance. He attended New York University. Mr. Finley will promote the Home Life's estate planning methods and aid in the development of a full-time producing organization.

Indianapolis Merger Effectuated

All the records and the physical equipment of the United Mutual Life were moved Dec. 26 to the home office building of the new American United Life, 941 North Meridian street, Indianapolis.

The merger of the American Central Life and the United Mutual was announced last September but has just been fully consummated. Herbert M. Woodlen is president and George A. Bangs is managing director of the new company.

Columbus Companies Move

COLUMBUS, O., Dec. 31.—The Cooperative Life, an adjunct of the Ohio Farm Bureau, is moving from the A. I. U. Citadel in Columbus to the Pure Oil building, which the Farm Bureau recently purchased. The Cooperative's

lease on the 21st floor of the Citadel is being taken over by the Motorists Mutual, which will now occupy both the 20th and 21st floors.

Provident L. & A. Pays Bonus

The Provident Life & Accident of Chattanooga granted a bonus of one month's salary to 200 home office employees who had been with the company for more than one year. Those who had served less than that time received two weeks salary.

Occidental Life Bonus

The Occidental Life of California gave a half of a month's salary Christmas bonus to all employees receiving \$200 per month or less.

Celebrate Golden Anniversary

The Security Mutual Life is holding its 50th anniversary dinner on Jan. 4 in Binghamton, N. Y.

Life Company Notes

V. R. Smith, general manager of the Confederation Life of Canada, has been appointed a director.

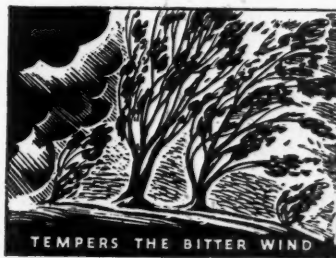
A dividend of 5 per cent (50 cents a share) has been declared by the Pan-American Life. This makes a total for the year of 8 per cent.

The Bankers Health & Life of Macon, Ga., has voted a bonus of one week's pay to its 250 employees.

Declares Month's Bonus

American International Underwriters of New York City has just declared a bonus of a month's salary to all employees. This concern does a general worldwide insurance business (except in the United States and Canada) administering foreign business of several American fire and casualty companies. It also represents the United States Life.

A daughter has been born to B. B. Knight, general agent of the Ohio State Life, Roxboro, N. C., and Mrs. Knight.



Let Come What May

... Life Insurance is the surest defence against the unpredictable storms of human stress and need.

War — Pestilence — Economic Disaster — all have failed to weaken this great cooperative agency of mutual protection. That is why the Sun Life of Canada is so justly proud of its long service to nearly One Million Policyholders who have safeguarded themselves and their loved ones against the calamities common to mankind.



INDUSTRIAL FIELD NEWS

Maine Reviews Agency Field

Agency Executive London Life Comments on Selecting and Training of Life Insurance Men

J. F. Maine, retiring agency executive London Life of London, Can., after reading an article in the R. & R. Service, which said, "Life insurance is suffering from a lack of competent new men in its selling forces, general agents and managers are complaining, etc.," observed:

"After approximately 42 years in the service, studying conditions across that period, I am wondering if there is not a reason for this lack that could be remedied by life company officials? In my contact with men above the average in ability, I find some who feel that life insurance organizations are too highly mechanized; so much so, that they have little opportunity for initiative, or real expression of personality. Of course, if the personality is not good, it may be just as well not to have it expressed. I am, however, speaking of high grade men whose personality is acceptable. Such men are desirous of becoming leaders, not merely a cog in a great machine.

"Just recently I have been discussing with men the possibility of entering the life insurance business. The very mediocre type who feel they can get by for a time and make a little money, will undertake the job. However, the men we want in the business are exceedingly hard to interest, due to the foregoing reason. There is more in life insurance than simply grinding out a record; there is character and personality as expressed in life insurance selling. It is a business that ought not to be carried on for purely mercenary reasons, either on the part of the company, or its representatives. It has in the past, and can in the future, render a service that excels all other service by financial institutions. Life companies cannot afford to permit this type of business to be handled by the mediocre or less capable man. In view of the fact that life insurance companies are experiencing a great deal of difficulty in getting high grade men interested in the business, it will be well on our part to make a thorough survey to determine the reason for their attitude.

"It is quite possible the plea by Norman Thomas for federal investigation of life insurance is not wholly political. The institution of life insurance is pure at heart; there is nothing in its fundamental principles at which we can point the finger of adverse criticism. Like many other good things however, it may be misunderstood if advocated by other than men of good character and personality. If life companies will develop a good common sense method of selecting and training men, and give them an opportunity to develop a fair amount of initiative, I believe it would dissipate the erroneous idea now held by many high grade men. After all, the men in the field are just as human as the officials of the company, and are looking for at least a fair degree of appreciation outside of the monetary compensation received for the services they render.

Need for Self Development

"I would suggest to the life company officials who are trying to develop the machine age system, making human cogs in the great wheel of life insurance sales organization, that they give this matter mature thought, thinking not of the present only, but of what the future holds. If high grade men are bound by system and organization to a degree that deprives them of self-development, they will not enter the business. On the other hand, if they should engage in the business and discover these things subsequently, they simply will not remain in it. A man was never intended to be

a machine; if therefore, we hope to secure high grade men for the life insurance business we shall have to go back to the first principles of the institution of life insurance."

Honor George Duffy

A testimonial dinner was given George Duffy, who has retired as district manager for the Metropolitan Life at Watertown, N. Y., a position he has held for 33 years. He has been identified with the company for 42 years. His successor is B. R. Carpenter, who has been manager at Malone, N. Y.

Wausau Manager Entertains Agents

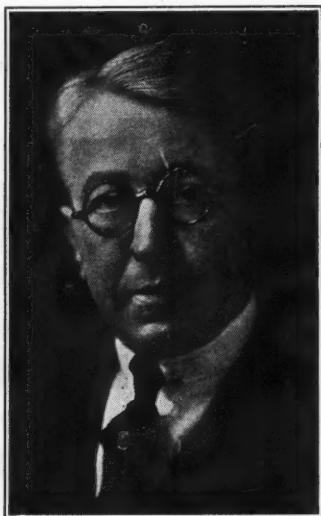
N. P. Beck, district manager Metropolitan Life, Wausau, Wis., was host to agents of the district, their wives and office employees at a dinner dance with 100 in attendance including guests from ten cities in that section. Prizes were awarded to leading agents.

MANAGERS ASSOCIATION

Los Angeles Elects Shepard

Lincoln National Manager Named by Life Managers—Leon Soper Is Vice-president

Walter T. Shepard, Lincoln National, was elected president of the Life Managers Association of Los Angeles at the



WALTER T. SHEPARD

December meeting. Other officers are: Vice-president, Leon A. Soper, Phoenix Mutual; secretary-treasurer, George H. Page, California-Western States Life; directors, James H. Cowles, Provident Mutual, and C. H. Carpenter, Canada Life. Hold-over directors are Russell L. Hoghe, Equitable of Iowa, and A. A. Dewar, Equitable of New York. Mr. Cowles is retiring president. Joseph Charleville, executive director, was commended for his work.

Plans for increasing the membership of the Life Underwriters Association of Los Angeles were discussed. The membership is now near the 450 mark.

Robinson Ottawa President

J. W. Robinson, Manufacturers Life, was elected president of the Life Managers Bureau of Ottawa, Ont., at the annual meeting. Other officers elected were: Honorary president, R. J. Davis, Mutual Life Canada; vice-president, Stanley Todd, Excelsior Life; secretary,

W. H. Armstrong, Northern Life of Canada.

Winnipeg Managers Elect

The Life Managers Association of Winnipeg elected M. A. MacMurchy president; E. Case, vice-president, and W. B. Banfield, secretary-treasurer. O. P. Jones is retiring president.

SALES MEETS

Ohio National Conference

The Ohio National Life is holding an agency supervisors' meeting at the home office in Cincinnati. In attendance from the Pacific coast are E. C. Wills, Los Angeles, superintendent of agencies southwest division, and Reid Stone, Portland, Ore., superintendent of agencies northwest division.

Equitable Entertains Leaders

The Equitable Life of Iowa entertained its 12 ranking salesmen of the nation at a luncheon and buffet dinner in Des Moines.

They were E. J. Faltyssek, Chicago; R. O. Claypoole, Philadelphia; H. P. Treat, New Haven, Conn.; G. L. Maltby, Kansas City, Mo.; C. E. Moore, Morgantown, W. Va.; J. C. Deibler, Harrisburg, Pa.; J. F. Underdown, Syracuse, N. Y.; G. W. Randall, Williamsport, Pa.; F. E. Hartman, Oakland, Cal.; F. R. Bowlin, Memphis, Tenn.; J. G. Castle, Buffalo, N. Y., and F. S. Castle, Portsmouth, O.

People's Life Iowa Meeting

The Iowa department of the People's Life of Indiana held its annual meeting in Des Moines Dec. 29, with 50 in attendance. The meeting was under direction of Oliver C. Miller, state manager.

AGENCY NEWS

Denver Trip for Qualifiers

O. Sam Cummings, general agent for Texas for Kansas City Life, has offered his agents a free trip to the Denver convention of the National Association of Life Underwriters as a production prize for the first seven months of 1937. Under the moderate production requirement of \$100,000 of paid volume in seven months Mr. Cummings states he expects 50 to qualify. He states that six other Kansas City Life agencies are making similar offers.

Mr. Cummings believes that no prize of equal monetary value can be offered which will prove of as much benefit to the agent. He expresses the hope other agencies will follow similar plans. Mr. Cummings is vice-president of the National association.

Motivating Stories Printed

By means of a mimeographed booklet, "Motivating Stories," the members of the George E. Lackey agency of the Massachusetts Mutual in Detroit, celebrated the Christmas season with a mutual exchange of sales "ammunition." At present, based on the 11 months' figures, the Detroit agency is enjoying a 40 percent gain in life insurance sales over the corresponding period of last year.

Among the authors who contributed to the booklet are Mr. Lackey, H. Ben Ruhl, the 1936 president of the agency's association; Caleb R. Smith, Ann Arbor, Mich., past chairman Million Dollar Round Table; and Mrs. Lena Lake Forrest. The stories are presented for agents to read, and not for direct use by prospects. On the other hand, no supervisory urgings are incorporated in the presentation. The homeliness and simplicity of the individual stories is emphasized. Each author included, wherever necessary, his comments on his

own actions, or the psychology of commencing to close at any certain point in his narration.

Leslie B. Eby, the agency's leading consecutive weekly producer, carries a ledger type notebook containing loose-leaf pages, each describing an actual case history. The typical page reproduced in the "Motivating Stories" describes the prospect who refused him an interview—but who, when he died, could not prevent it becoming common knowledge that his wife and children were left a particularly small sum of insurance. Mr. Eby concludes with this comment, "I ask you, who was he fooling?—me, or his loyal wife and three lovely children?"

Los Angeles Football Winner

In the football contest of the Equitable Life of Iowa the Los Angeles agency, Russell L. Hoghe, manager, won the championship of the American conference, winning six games out of seven with a record of 857 percent. Agencies competing in that group were Los Angeles, Seattle, Cincinnati, Mason City, Cleveland, Portland, Columbus and Des Moines. There were eight conferences, each consisting of eight agencies.

ASSOCIATIONS

Chicago Life Trust Group Resumes Meeting Activities

The life trust round table of the Chicago Association of Life Underwriters will resume activities after 18 months' lapse. The date of the January meeting has not been set.

Meetings ceased in May, 1934, after the printing of "Life Values" was discontinued. It is expected that the round table will cooperate in securing trust company speakers for sales clinics held by the Chicago association.

Efforts will also be made to secure Borden and Busse films for use in the clinics during 1937. Further enlargement of the clinic's scope may also take place.

Plans for Florida Congress

The Florida states sales congress is being held in St. Petersburg, Jan. 14-15 in the Suwannee hotel. It will start with a meeting of the state association at a luncheon, followed by business meetings and election of officers. There will be an entertainment that evening for the state association and early arrivals. The congress itself will be started the morning of Jan. 15 and will end that night with a banquet and dance at one of the country clubs. The congress was originally scheduled to be held in February but was set ahead due to the fact that accommodations could not be obtained at that time.

Vash Young was invited to St. Petersburg recently by the local association. He spoke to an audience of 1,900 people on "Go Right When Things Go Wrong." He also spoke over station WFUN that day in St. Petersburg.

Cumberland, Md.—New officers of the Alleghany county branch are: L. M. Robinson, president; F. W. Kremer, vice-president; R. E. Biggs, secretary-treasurer. The executive committee includes John Park, W. L. Pierce, J. W. Holmes, L. D. DeHaven, Arthur Huey and Russell Saville.

Vancouver B. C.—New officers are: H. C. Tregallis, president; H. B. Charlton, first vice-president; T. L. Mitchell, second vice-president; G. M. Martin, secretary; Gordon Ramsay, treasurer.

Appleton, Wis.—George Nixon, Equitable Life of New York, is the new president; W. E. Smith, vice-president; M. B. Herner, treasurer; M. G. Fox, secretary.

St. John, N. B.—New officers are: J. S. Angevine, president; A. H. McLeod, vice-president; L. J. McDonald, secretary--

treasurer. Executive committeemen are: H. E. McLean, G. W. Malcolm, T. A. McAvity, O. F. Baughan, W. R. Chidley and C. H. McDonald.

* * *

Sioux City, Ia.—Lou Strongin, Mutual Life of New York, has been elected president to succeed Henry Hampe. Other new officers are: G. I. Jenkins, vice-president; C. L. Wessman, treasurer, and L. J. Dougherty, secretary. On the executive committee are A. N. Carlson, C. W. Cottingham, H. E. McComb, F. H. Peterson and J. D. Walsh. Mr. Hampe becomes national committeeman.

* * *

Detroit—G. E. Lackey, general agent Massachusetts Mutual Life, has been appointed chairman of the directory committee. The compilation of members is to be issued late in January.

* * *

North Dakota—New officers are: Jay Simpson, Minnesota Mutual Life, president; George Kremers, Lincoln National Life, vice-president; R. A. Trubey, Guardian Life, secretary-treasurer; John Nystrul, Kansas City Life, chairman legislative committee, and H. J. Gilbertson, Penn Mutual, chairman entertainment committee. A. E. Jahn, retiring president, spoke briefly, discussing his visit to the conference of the South Dakota association where he was guest speaker.

* * *

St. Catharines, Ont.—W. H. Fair was elected president; T. H. Gillespie, vice-president; and J. H. O'Flynn, secretary. The new executive committee is composed of the retiring president, H. N. Gayman, J. H. Graham, C. E. Misener, J. R. Thomson and W. A. Sullivan.

* * *

Niagara Falls, Ont.—F. M. Darker was elected president to succeed F. W. Lloyd. K. A. Walker was elected vice president with J. F. Forrester and F. V. Evans as district vice-presidents. Miss L. R. Hyatt was chosen secretary and James Murray, treasurer.

* * *

Burlington, Vt.—"Social Security" was discussed at the last meeting by Prof. George G. Groat of the department of economics of the University of Vermont.

* * *

Kalamazoo, Mich.—New directors, who were empowered to elect officers, are: J. W. Woodhams, Scott Field, J. D. Goldsmith, H. L. Harvey, Earl Hudson, Robert Beisel, Rush Eastman, Walter Kelly and Lawrence Mason.

Dr. Carey K. Ganong of Kalamazoo College discussed the social security act. He believes the law will prove beneficial to a low-income class which has been unable in the past to make any provision for self-support in old age. The advisability of creating so large a reserve as is now contemplated was considered doubtful, however, and he predicted that Congress will make a number of changes in the law.

John Hindelang of Detroit was endorsed for insurance commissioner.

* * *

Moneton, N. B.—New officers are: W. J. Dalzell, president; L. W. Irons, vice-president; E. B. Bent, secretary-treasurer, and T. C. McDougall, W. E. Craig, R. C. Macdonald and F. W. Williams, executive committeemen.

* * *

Sudbury, Ont.—New officers are: Arthur Samson, president; J. Barber, first vice-president; Miller Murdoch, second vice-president, and George Gillespie, secretary-treasurer. J. Macaulay is retiring president.

* * *

Cleveland—F. D. Russell, president of the Security Mutual Life of Binghamton, will speak on social security and other topics at the next meeting Jan. 8.

Information Facilitates Delivery

Agents can secure delivery of policies more promptly if they will give complete information on the applicant to aid the inspection bureau in identification of the risk, said Felton J. Koch, Ohio manager of the American Service Bureau and the Hooper-Holmes Bureau, in a talk to the Life Underwriters Association of Columbus. Furnishing the inspection organization with complete information will facilitate handling of the case. If the agent senses some unusual situation regarding the applicant's family or business life the inspection company should be told so that the inspector can avoid irritating the applicant.

CHICAGO

CHICAGOANS HONOR PATTERSON

A number of get-togethers were held in Chicago honoring A. E. Patterson, general agent Penn Mutual, who is to leave for Philadelphia Friday to take up his new duties as vice-president of the Penn Mutual. His own agency staff was host at a gathering at which Mrs. Eleanor Young Skillin, leading woman agent, was toastmistress. About 40 attended including J. M. Royer, the new general agent succeeding Mr. Patterson. The latter's friends in the Equitable Life of New York organization paid him honor at an informal party at which H. T. Wright, associate manager, and W. V. Woody, agency manager, were hosts. Mr. Royer also was a guest, others present including General Agent Courtenay Barber, Manager P. B. Hobbs, W. M. Rothaermel, superintendent of agencies, central department, all of the Equitable. After dinner the group had a theater party. General agents and managers of other companies were hosts to Mr. Patterson at another informal dinner, which was attended by Wallace Boileau, vice-president of the Penn Mutual.

* * *

INSURANCE STOCK QUOTATIONS

H. W. McKinney of G. L. Ohrstrom & Co., Board of Trade building, Chicago, gives the following quotations on the stock of life companies:

	Par	Div.	Bid	Asked
Aetna Life	10	.60	28	29
Bank. Nat. Life	10	1.00	23	27
Build. Life, Ill.	1	...	1	3
Central Life, Ill.	10	...	9	...
Cent. States Life	5	...	4	5
Columbia Nat.	100	4.00	80	90
Conn. Gen. Life	10	.80	32	34
Cont. Assurance	10	2.00	38	40
Cont. Am. Life	10	1.20	30	34
Farm. & Traders	100	12.00	210	225
Fed. Life, Chgo.	10	...	8	...
Girard Life	10	.40	11	13
Great Nor. Life	10	...	4	...
Great South. Life	10	2.50	30	33
Life & Cas., Ten.	2	...	15	17
Life of Va.	20	3.00	73	80
Lincoln National	10	1.20	25 1/2	26 1/2
Mo. State Life	10	...	...	...
Natl. Life & Ac.	10	1.60	65	75
Northw. National	5	.60	16 1/4	17 1/4
North Amer.	2	...	2 1/2	3 1/4
Ohio National	10	1.00	24	28
Ohio State Life	100	10.00	225	...
Old Line Life	10	.60	16	17
Pacific Mutual	1	...	3 1/4	4 1/4
Peoples Life, Ind	10	.60	20	25
Philadelphia Life	10	...	3 1/2	4 1/2
Rockford Life	10	...	...	...
Sun Life, Can.	100	...	625	650
Travelers	20	16.00	475	485
Union Central	10	1.20	21	...
Wisconsin Natl.	10	.50	16	18

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SLACK AGENCY'S DINNER

The James Slack agency of the Continental Assurance in Chicago held a Christmas Eve dinner for its agency force at the Illinois Athletic Club, with 28 in attendance. Lester Johnson and Dr. H. W. Dingman, vice-presidents at the home office, were present and gave short talks. James J. Nolan of the agency spoke on business getting plans for 1937.

RECORDS

Protective Life—Reports greatest increase in ordinary business in 10 years for 1936. It now has approximately \$90,000,000 in force, a gain of approximately 28 percent since the depression began. Assets and premium income for 1936 are both the highest ever.

E. W. Owen, Sun Life, Detroit—paid for \$3,560,000 life insurance and annuities and \$2,942,255 of group life in 1936. S. S. Harvey, H. M. Hickey and H. W. Tryloff led the agency in volume and F. J. McCarthy, C. D. Ryder and F. E. Haehling in number of sales and consecutive weekly production.

C. W. Peterson, San Francisco, Phoenix Mutual Life—December was the best month in the agency's history.

The corporate name of the Fidelity Group Insurance Company of Dallas has been changed to **Consolidated Life**.

"best opportunity in the field"

An exact copy of part of a letter received from an agent who recently joined us.

"In the meantime I have been carefully studying the manual and some of the literature and I am certainly sold on the Company and its policies.

"I think this Company now offers the Salesman the best opportunity in the field, and I am speaking from a long experience in the business.

"I certainly expect to put this part of the State on the map for the Bankers Mutual Life Company."

Yours very truly,

I. B. D.

BANKERS MUTUAL LIFE CO.

FREEPORT, ILLINOIS

Founded in 1907



A STRAIGHT LINE is the shortest distance between two points.

BERKSHIRE JUVENILE INSURANCE

is the shortest route from prospects to completed sales.

.

The BERKSHIRE JUVENILE PLAN shows the way to BETTER INCOMES today because it reaches into fields hitherto uncultivated. If your portfolio does not include this "BEST SELLER" plan, you are handicapping your earning possibilities.

"ASK ANY BERKSHIRE AGENT"

BERKSHIRE LIFE INSURANCE COMPANY

(Incorporated 1851)

Pittsfield, Mass.

Fred H. Rhodes, President

85th ANNIVERSARY YEAR



With...

THE OHIO STATE LIFE INSURANCE COMPANY COLUMBUS, OHIO

1860-1937

"Guardian of
American Families
for 77 Years"

**THE GUARDIAN LIFE
INSURANCE COMPANY OF AMERICA**
A MUTUAL COMPANY • ESTABLISHED 1860
50 UNION SQUARE NEW YORK CITY

NEWS ABOUT LIFE POLICIES

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem," Published Annually in May and March respectively. PRICE, \$5.00 and \$2.00 respectively.

Western & Southern Scale

Ordinary Premium Rates Are Revised
Upward and Disability Income
Clause Discontinued

The Western & Southern has revised its premium rates effective Jan. 1 and is discontinuing the income disability feature. As of Dec. 1 the company liberalized and simplified wording of industrial policies.

The new ordinary department premiums show moderate increase on the commercial whole life, endowment at age 85 and limited payment life forms, with more substantial increase on higher premium endowments. Waiver of premium disability will be continued but the company will no longer issue the income feature.

Fears Future Trends

While the Western & Southern has experienced very favorable loss ratio, the general claim trend and the tendency shown in court decisions toward extremely liberal interpretation caused the company to curtail the disability income for fear of future difficulties.

The most outstanding change in the industrial contract is in the extended insurance provision. Any policy in force less than three years is allowed a week of extended insurance for each five week's premiums paid in cash. After three years the regular tables apply. Non-forfeiture values are adjusted for each 13 weeks' premiums paid beyond the last completed year. The revised ordinary premium rates for several more popular forms are:

Age	Coml. Life at 85	Whle. End. 20 P. Life	End. 20 Yr. End. 5 Yr. Term
15.....	12.20	12.76	19.57 42.48 14.61
16.....	12.43	13.01	19.90 42.52 14.98
17.....	12.67	13.27	20.24 42.56 15.36
18.....	12.93	13.54	20.60 42.59 15.76
19.....	13.20	13.83	20.97 42.62 16.18
20.....	13.48	14.12	21.36 42.66 16.62 8.04
21.....	13.77	14.42	21.76 42.68 17.09 8.13
22.....	14.08	14.73	22.18 42.70 17.59 8.20
23.....	14.41	15.06	22.61 42.71 18.13 8.25
24.....	14.75	15.41	23.06 42.74 18.77 8.30
25.....	15.10	15.80	23.53 42.76 19.26 8.34
26.....	15.48	16.21	24.02 42.78 19.89 8.38
27.....	15.88	16.65	24.54 42.81 20.56 8.40
28.....	16.29	17.11	25.08 42.85 21.27 8.44
29.....	16.73	17.59	25.64 42.91 22.03 8.48
30.....	17.19	18.11	26.22 42.98 22.85 8.53
31.....	17.68	18.70	26.82 43.10 23.72 8.59
32.....	18.19	19.31	27.45 43.18 24.68 8.69
33.....	18.73	19.97	28.11 43.31 25.70 8.81
34.....	19.30	20.67	28.80 43.46 26.79 8.98
35.....	20.01	21.40	29.52 43.62 27.98 9.16
36.....	20.79	22.17	30.26 43.83 29.28 9.39
37.....	21.60	23.01	31.05 44.07 30.69 9.65
38.....	22.47	23.88	31.85 44.34 32.20 9.95
39.....	23.38	24.81	32.70 44.64 33.83 10.30
40.....	24.35	25.80	33.60 44.98 35.61 10.70
41.....	25.37	26.84	34.58 45.38 37.58 11.15
42.....	26.45	27.94	35.61 45.83 39.72 11.66
43.....	27.59	29.10	36.68 46.31 42.07 12.23
44.....	28.80	30.34	37.80 46.86 44.64 12.85
45.....	30.07	31.65	38.97 47.47 47.47 13.56
46.....	31.43	33.04	40.23 48.15 50.42 14.34
47.....	32.86	34.50	41.54 48.89 53.70 15.20
48.....	34.36	36.04	42.89 49.68 57.30 16.15
49.....	35.94	37.68	44.31 50.55 61.37 17.21
50.....	37.62	39.42	45.81 51.51 65.91 18.36
51.....	39.41	41.29	47.40 52.59 71.20 19.63
52.....	41.30	43.26	49.08 53.77 77.25 21.01
53.....	43.29	45.36	50.85 55.07 84.21 22.53
54.....	45.39	47.57	52.70 56.49 92.42 24.19
55.....	47.65	49.97	54.72 58.08
56.....	50.03	52.49	56.83 59.74
57.....	52.54	55.16	59.07 61.54
58.....	55.15	57.95	61.39 63.43
59.....	57.92	60.93	63.87 65.51
60.....	60.86	64.11	66.53 67.70

Crown Raises Non-par Rate

The Crown Life of Toronto has increased rates on non-par policies effective Jan. 1, which is similar to increases recently made by other companies. It was caused by changes in the company's tables, assuming earning of a lower interest rate in the future. The Crown adjusted its dividend rate on participating contracts Dec. 1.

Equitable's Dividends Given

Readjusted Scale for 1937 of New York
Company Presented in Greater
Detail

In the issue of Dec. 24 was presented information relating to the dividend readjustment action of the Equitable Life of New York with an abbreviated table showing the new figures for ordinary life, 20-pay, optional retirement at 65 and 3 percent annual premium retirement annuity. The complete dividend book now has been distributed to the agents and a more complete tabulation of the new dividends is presented below:

Age	2	5	10	15	20	Accu. 20 Yrs.
20	5.60	11.04	6.57	7.35	7.71	132.56
21	5.66	11.16	6.67	7.39	7.68	133.94
22	5.72	11.30	6.76	7.45	7.65	135.30
23	5.79	11.44	6.86	7.50	7.63	136.54
24	5.86	11.59	6.98	7.57	7.61	137.70
25	5.93	11.75	7.09	7.64	7.60	138.80
26	6.01	11.91	7.13	7.61	7.60	139.81
27	6.09	12.08	7.19	7.59	7.60	140.78
28	6.18	12.27	7.24	7.57	7.60	141.68
29	6.27	12.47	7.31	7.55	7.61	142.45
30	6.37	12.68	7.38	7.54	7.63	143.20
31	6.47	12.82	7.35	7.54	7.65	143.87
32	6.59	12.97	7.32	7.55	7.66	144.42
33	6.71	13.14	7.29	7.55	7.67	144.90
34	6.74	13.33	7.27	7.57	7.67	145.39
35	6.80	13.44	7.26	7.59	7.67	145.82
36	6.85	13.45	7.25	7.61	7.61	145.83
37	6.92	13.47	7.25	7.63	7.95	146.25
38	6.99	13.51	7.26	7.64	8.10	146.75
39	6.95	13.56	7.27	7.65	8.25	147.31
40	6.90	13.53	7.28	7.64	8.39	148.01
41	6.87	13.50	7.30	7.80	8.69	149.03
42	6.83	13.49	7.31	7.97	9.01	150.40
43	6.81	13.49	7.32	8.13	9.34	152.17
44	6.79	13.50	7.31	8.29	9.70	154.31
45	6.78	13.52	7.30	8.46	10.06	156.89
46	6.77	13.56	7.47	8.79	10.45	159.89
47	6.76	13.60	7.63	9.15	10.86	163.39
48	6.76	13.64	7.80	9.53	11.29	167.41
49	6.76	13.68	7.97	9.93	11.75	171.93
50	6.76	13.71	8.14	10.35	12.23	177.00
51	6.74	13.93	8.51	10.80	12.73	182.67
52	6.71	14.17	8.89	11.27	13.26	188.99
53	6.67	14.39	9.30	11.77	13.82	195.03
54	6.64	14.61	9.74	12.30	14.40	201.88
55	7.01	15.01	10.21	12.87	15.01	209.53
56	7.18	15.64	10.70	13.46	15.66	221.85
57	7.35	16.32	11.23	14.10	16.34	231.95
58	7.52	17.03	11.79	14.76	17.06	242.87
59	7.93	17.79	12.39	15.46	17.83	254.72
60	8.37	18.87	13.03	16.21	18.64	267.55
61	8.85	20.04	13.72	16.99	20.63	282.44
62	11.16	25.93	16.90	20.68	30.53	366.79
70	15.20	37.28	22.20	25.53	50.20	.....

*Including special 5th year dividend.

20 Payment Life

20	6.11	12.22	7.48	8.53	9.20	151.61
21	6.18	12.34	7.57	8.58	9.22	153.10
22	6.24	12.49	7.67	8.64	9.23	154.64
23	6.31	12.63	7.77	8.71	9.26	156.96
24	6.38	12.78	7.88	8.78	9.29	159.31
25	6.45	12.94	7.99	8.86	9.32	161.60
26	6.53	13.10	8.08	8.86	9.36	163.96
27	6.61	13.28	8.19	8.86	9.41	166.38
28	6.70	13.46	8.15	8.87	9.46	168.82
29	6.77	13.65	8.22	8.88	9.52	171.30
30	6.89	13.87	8.29	8.90	9.58	173.81
31	6.99	14.00	8.27	8.92	9.64	176.31
32	7.10	14.15	8.25	8.95	9.71	178.82
33	7.22	14.32	8.24	8.99	9.78	181.36
34	7.26	14.50	8.24	9.03	9.85	183.93
35	7.30	14.61	8.24	9.07	9.92	186.54
36	7.35	14.62	8.24	9.12	10.07	189.20
37	7.42	14.64	8.25	9.16	10.23	191.94
38	7.48	14.68	8.26	9.20	10.40	194.74
39	7.44	14.72	8.28	9.24	10.57	197.57
40	7.39	14.69	8.30	9.27	10.74	200.44
41	7.36	14.65	8.32	9.42	11.00	203.34
42	7.32	14.63	8.34	9.58	11.26	206.28
43	7.29	14.62	8.35	9.74	11.54	209.25
44	7.26	14.62	8.35	9.96	11.84	212.24
45	7.24	14.63	8.35	10.08	12.14	215.24
46	7.22	14.65	8.49	10.35	12.46	218.25
47	7.21	14.67	8.64	10.65	12.79	221.27
48	7.20	14.69	8.79	10.98	13.13	224.30
49	7.18	14.70	8.94	11.32	13.49	227.34
50	7.16	14.71	9.09	11.68	13.87	230.39
51	7.14	14.90	9.41	12.05	14.26	233.44
52	7.09	15.09	9.75	12.46	14.67	236.50
53	7.04	15.28	10.11	12.88	15.10	239.58
54	7.18	15.46	10.50	13.33	15.55	242.67
55	7.33	15.81	10.91	13.81	16.02	245.75
56	7.48	16.39	11.35	14.32	16.51	248.84
57	7.63	17.01	11.83	14.87	17.03	251.93
58	7.78	17.68	12.33	15.44	17.59	255.08
59	8.17	18.38	12.87	16.05	18.17	258.27
60	8.59	19.39	13.46	16.71	18.79	261.51
65	11.26	26.18	17.06	20.77	24.46	356.64

*Including Special 5th Year Dividend.
(CONTINUED ON NEXT PAGE)

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20 Year Endowment

20	5.77	11.56	7.90	9.48	10.79	161.58
21	5.86	11.75	8.01	9.56	10.87	163.49
22	5.96	11.97	8.12	9.64	10.97	165.48
23	6.06	12.19	8.23	9.73	11.07	167.48
24	6.16	12.41	8.35	9.82	11.17	169.50
25	6.28	12.64	8.47	9.91	11.27	171.48
26	6.39	12.88	8.54	9.96	11.38	173.45
27	6.51	13.13	8.63	10.02	11.49	175.42
28	6.63	13.39	8.72	10.08	11.59	177.37
29	6.76	13.66	8.81	10.15	11.71	179.28
30	6.89	13.94	8.90	10.21	11.83	181.10
31	7.03	14.16	8.93	10.28	11.95	182.88
32	7.18	14.39	8.96	10.35	12.08	184.60
33	7.33	14.64	8.99	10.43	12.21	186.21
34	7.49	14.90	9.02	10.50	12.34	187.70
35	7.72	15.66	9.37	11.37	13.80	199.64
36	7.57	15.18	9.09	10.66	12.63	190.45
37	7.67	15.27	9.13	10.74	12.78	191.75
38	7.77	15.39	9.17	10.81	12.93	193.02
39	7.76	15.50	9.21	10.88	13.09	194.23
40	7.74	15.54	9.26	10.95	13.25	195.40
41	7.73	15.57	9.30	11.09	13.43	196.70
42	7.72	15.61	9.34	11.23	13.61	198.09
43	7.72	15.66	9.37	11.37	13.80	199.64
44	7.71	15.70	9.38	11.51	13.99	201.31
45	7.71	15.76	9.39	11.65	14.20	203.19
46	7.71	15.82	9.53	11.89	14.42	205.33
47	7.71	15.87	9.67	12.13	14.64	207.73
48	7.72	15.92	9.80	12.39	14.88	210.42
49	7.71	15.95	9.93	12.66	15.13	213.43
50	7.70	15.97	10.06	12.95	15.39	216.85
51	7.67	16.15	10.34	13.26	15.67	220.67
52	7.62	16.34	10.64	13.58	15.97	225.03
53	7.56	16.51	10.95	13.93	16.28	229.95
54	7.69	16.66	11.29	14.31	16.61	235.50
55	7.83	16.98	11.66	14.71	16.96	241.79
56	7.96	17.51	12.05	15.15	17.34	248.69
57	8.09	18.08	12.47	15.61	17.74	256.26
58	8.21	18.68	12.92	16.11	18.18	264.58
59	8.57	19.32	13.41	16.65	18.64	273.80
60	8.96	20.27	13.94	17.22	19.14	283.96
65	11.44	26.63	17.28	20.96	22.29	355.88

*Including Special 5th Year Dividend.

Optional Retirement at 65

20	5.62	11.09	6.71	7.57	8.02	135.51
25	5.98	11.88	7.29	7.96	8.13	143.47
30	6.48	12.95	7.70	8.10	8.51	151.14
35	7.02	13.97	7.84	8.56	9.22	159.61
40	7.36	14.62	8.35	9.43	10.01	173.58
45	7.71	15.76	9.39	11.65	14.20	203.19
50	8.80	18.61	12.30	15.98	....	173.77
55	10.09	22.53	15.66	....	....	157.98

Economic Adjustment

21	3.69	7.52	6.56	7.32	7.72	135.51
25	3.74	7.62	7.01	7.58	7.67	143.47
30	3.86	7.82	7.34	7.76	7.82	151.14
35	4.08	8.24	7.16	7.57	7.82	159.61
40	4.06	8.04	7.26	7.65	8.62	173.58
45	3.87	7.68	7.28	8.51	10.44	203.19
50	3.70	7.35	8.21	10.58	12.87	248.69
54	6.00	12.00	10.01	12.79	15.40	355.88

Dividends for the 3 percent participating annuities are presented below, the Equitable showing the same figure at a given age for the first five years.

3% ANNUITY DIVIDEND

Life Per \$100 Yr. Income (Male)							
20	\$11.93	37	\$10.60	54	\$9.48	71	\$8.89
21	11.85	38	10.52	55	9.43	72	8.90
22	11.77	39	10.45	56	9.38	73	8.89
23	11.69	40	10.37	57	9.33	74	8.88
24	11.61	41	10.30	58	9.28	75	8.88
25	11.53	42	10.23	59	9.24	76	8.88
26	11.46	43	10.16	60	9.21	77	8.87
27	11.38	44	10.09	61	9.17	78	8.88
28	11.29	45	10.02	62	9.14	79	8.89
29	11.21	46	9.95	63	9.10	80	8.89
30	11.14	47	9.89	64	9.07	81	8.90
31	11.06	48	9.83	65	9.04	82	8.92
32	10.98	49	9.76	66	9.02	83	8.94
33	10.90	50	9.70	67	8.99	84	8.95
34	10.82	51	9.64	68	8.97	85	8.98
35	10.75	52	9.59	69	8.95	(and	
36	10.67	53	9.53	70	8.92	over)	

Refund

20	\$11.75	37	\$10.14	54	\$8.34	71	\$6.35
21	11.66	38	10.04	55	8.22	72	6.32
22	11.57	39	9.94	56	8.11	73	6.11
23	11.48	40	9.84	57	7.99	74	5.99
24	11.39	41	9.73	58	7.88	75	5.87
25	11.30	42	9.63	59	7.77	76	5.75
26	11.21	43	9.52	60	7.65	77	5.63
27	11.12	44	9.42	61	7.54	78	5.51
28	11.02	45	9.31	62	7.42	79	5.39
29	10.93	46	9.21	63	7.30	80	5.28
30	10.83	47	9.11	64	7.18	81	5.16
31	10.73	48	9.00	65	7.06	82	5.05
32	10.64	49	8.89	66	6.95	83	4.93
33	10.54	50	8.78	67	6.83	84	4.82
34	10.44	51	8.67	68	6.71	85	4.70
35	10.34	52	8.56	69	6.59	(and	
36	10.24	53	8.45	70	6.47	over)	

New Deferred Annuity Form

Equitable of New York Announces 3 Percent Participating Refund Contract

The Equitable announces a new single premium deferred refund annuity designed to provide a modern, scientific program of old age protection. Four contracts are available—with payments starting at ages 55, 60, 65 or 70, with no choice or change in retirement age after issuance. The monthly income is payable for life starting at the selected retirement age. In case of sub-

sequent death the payments continue to a beneficiary until the entire original consideration has been returned. In case of annuitant's death prior to retirement age, the consideration will be paid to a beneficiary in 120 equal monthly installments.

These contracts are on the 3 percent interest assumption basis and are participating. There are no cash or loan values. The forms will be issued at all ages upward from age 10, and for not less than \$500 single consideration nor providing less than \$10 a month income. The consideration on male lives per \$10 monthly income for the four forms is:

Single Consideration (Male)

Age	55	60	65	70
10...	\$458.93	\$322.71	\$214.27	\$131.48
11...	473.93	333.41	221.48	136.01
12...	489.47	344.48	228.96	140.71
13...	505.56	355.94	236.71	145.59
14...	522.21	367.83	244.76	150.65
15...	539.43	380.17	253.13	155.91
16...	557.25	392.95	261.80	161.37
17...	575.67	406.18	270.80	167.03
18...	594.73	419.88	280.13	172.92
19...	614.52	434.08	289.81	179.03
20...	635.03	448.79	299.85	185.39
21...	656.25	464.02	310.27	191.99
22...	678.22	479.81	321.08	198.86
23...	700.96	496.27	332.30	206.00
24...	724.42	513.34	343.95	213.42
25...	749.02	531.03	356.04	221.14
26...	774.40	549.37	368.66	229.17
27...	800.68	568.39	381.88	237.53
28...	827.90	588.12	395.47	246.29
29...	856.19	608.65	409.67	255.44
30...	885.60	630.05	424.44	264.98
31...	916.08	652.27	439.80	274.92
32...	947.68	675.34	455.77	285.29
33...	980.61	699.30	472.39	296.11
34...	1,014.85	724.23	489.79	307.40
35...	1,050.39	750.35	508.00	319.20
36...	1,087.34	777.50	526.98	331.52
37...	1,125.96	805.74	546.77	344.39
38...	1,166.08	835.12	567.44	357.85
39...	1,207.83	865.96	588.91	372.09
40...	1,251.54	898.14	611.51	387.03
41...	1,296.98	931.64	635.25	402.68
42...	1,344.46	966.61	660.04	419.07
43...	1,394.10	1,003.40	685.93	436.26
44...	1,445.78	1,041.75	712.98	454.27
45...	1,500.10	1,081.74	741.58	473.15
46...	1,556.62	1,123.99	771.60	493.19
47...	1,616.17	1,168.06	803.09	514.36
48...	1,678.19	1,214.23	835.84	536.61
49...	1,743.65	1,262.95	870.74	559.98
50...	1,812.03	1,313.79	907.37	584.54
51...	1,884.15	1,367.66	945.72	610.57
52...	1,959.91	1,424.04	986.41	638.32
53...	.....	1,483.70	1,029.36	667.54
54...	.....	1,546.38	1,074.38	698.29
55...	.....	1,612.78	1,122.50	730.93
56...	.....	1,757.33	1,173.12	765.93
57...	.....	.....	1,226.85	802.81
58...	.....	.....	1,283.94	841.74
59...	.....	.....	1,344.47	883.93
60...	.....	.....	1,409.04	928.47
61...	.....	.....	1,477.86	975.93
62...	.....	.....	1,551.09	1,027.13
63...	.....	.....	.....	1,081.24
64...	.....	.....	.....	1,140.34
65...	.....	.....	.....	1,202.89
66...	.....	.....	.....	1,271.33
67...	.....	.....	.....	1,344.56

The dividends for these contracts are:

Dividends per \$10 Income at 55

Age	1	2	3	4	5
10	\$1.64	\$1.92	\$1.99	\$2.06	\$2.13
15	1.94	2.28	2.35	2.42	2.53
20	2.29	2.67	2.77	2.84	2.95
25	2.68	3.15	3.25	3.39	3.49
30	3.18	3.74	3.84	3.98	4.11
35	3.78	4.41	4.57	4.74	4.90
40	4.49	5.27	5.46	5.63	5.82
45	5.39	6.31	6.53	6.75	7.01
50	6.51	7.63	7.90	8.18	8.46

Dividends per \$10 Income at 60

Age	1	2	3	4	5
10	\$1.15	\$1.35	\$1.40	\$1.45	\$1.50
15	1.37	1.61	1.66	1.71	1.78
20	1.62	1.89	1.96	2.01	2.08
25	1.90	2.23	2.31	2.40	2.47
30	2.26	2.66	2.73	2.83	2.92
35	2.70	3.15	3.27	3.39	3.50
40	3.23	3.78	3.92	4.04	4.18
45	3.89	4.55	4.71	4.87	5.05
50	4.72	5.53	5.73	5.93	6.14
55	5.80	6.80	7.04	7.30	7.57

Dividends per \$10 Income at 65

Age	1	2	3	4	5
10	\$0.77	\$0.90	\$0.93	\$0.96	\$0.99

Union Central Enters Juvenile

Four New Policies Issued—Minimum Limits on Father of Child Are Required

The Union Central Life has entered the juvenile field with four new policies. Twenty payment life, 20 year endowment, 20 payment endowment at age 60 and endowment at 18 forms will be written on children from birth to age 10. The policies will be written for amounts from \$1,000 to \$10,000. A father must carry a minimum of \$5,000 on his own life and he must have at least three times as much as the child. A partial medical examination of the child is required and after age 9½ a full examination is provided.

A father must pass a full medical examination if payor insurance is desired providing for waiver of premium if the applicant dies or becomes disabled before the policy anniversary nearest the assured's 21st birthday. The father must be 50 or under to obtain this protection. When a policy is written for less than \$2,000, cash must accompany the application with a \$10 minimum premium.

Death benefits are graded on the basis of \$200 per year of age at death for each \$1,000 of insurance, reaching the full face amount at age 5. Premiums quoted below are for insurance on the life of the child only. The waiver of premium features mentioned above are added for a small extra premium which depends upon the plan of insurance, the age of the child and age of parent.

Juvenile Rates per \$1,000

Ages	20 Pay. Life	20 Yr. End.	20 Pay. End. 60	End at 18
1	\$24.92	\$48.61	\$27.29	\$ 57.80
2	24.90	48.62	27.38	61.78
3	24.70	48.33	27.28	65.96
4	24.46	47.96	27.14	70.64
5	24.22	47.56	27.01	76.01
6	24.00	47.15	26.90	82.33
7	23.96	46.90	26.97	90.06
8	24.05	46.77	27.18	99.56
9	24.23	46.73	27.46	111.33

Lower Limit Set at \$1,000

Henceforth the Continental Assurance will issue no policies in amounts less than \$1,000 except on policy forms providing for premiums equivalent to or greater than those charged for year endowment.

NEW YORK

ANSEL WORMS RESIGNS

Ansel Worms, after many years as agency manager in the greater New York department of the Equitable of New York, has resigned. He and the members of his agency will be associated with the H. H. Wilson agency in New York City.

T. M. RIEHLE HEADS AGENCY

T. M. Riehle, president of the National Association of Life Underwriters and a leading producer of the Equitable of New York in New York City, was elected president of John M. Riehle & Co. of that city. He succeeds his father, John M., who died a few days ago. The son has been actively identified with the agency for 24 years as treasurer and director. Other officers elected are: W. D. Hill, vice-president, connected with the office 15 years; Henry Alpert, secretary, with 13 years' service, and G. J. Hauben, treasurer.

Oregon Mutual's New Office

The Oregon Mutual Life is opening a new western Oregon agency Feb. 1 in the Miner building, Eugene, in charge of Perry H. Walbridge, general agent. The headquarters of Howard R. Pickett, district supervisor, are being moved to Salem, Ore., and more territory will be assigned to him.

LIFE AGENCY CHANGES

Katzman With Guardian Life

Former Prudential Assistant Manager to Direct Leyendecker-Schnur's Full Time Organization in N. Y.

S. J. Katzman, formerly assistant manager of the Wofford agency of the Prudential in New York City, has been made production manager in charge of full time men by the Leyendecker-



S. J. KATZMAN

Schnur agency of the Guardian Life of New York in New York City.

Mr. Katzman is one of the C. L. U. pioneers in New York City, having received the designation in 1931. He holds the degree of Bachelor of Commercial Science from New York University and is a graduate of its former life insurance sales training course. Before going into the life insurance business with the Ives & Myrick agency in 1925, he was in the accounting business. Leaving Ives & Myrick, he went to the Wofford agency in 1934, becoming assistant manager late in 1935. A year later he resigned to go into personal production. Just before leaving that agency he was speaker at its Monday morning meeting.

Trainer and Educator

Mr. Katzman has built up quite a reputation in life insurance sales training and education. In 1935 he spoke at a regional convention of the Prudential and was on the program of the 1936 sales congress of the New York City Life Underwriters Association. He has addressed a number of agency meetings in New York City. He has always maintained a substantial personal production.

At the same time the Leyendecker-Schnur agency appointed Ned Urwin, for the past year a personal producer as brokerage supervisor for both offices of the agency. Before joining the L-S agency, Mr. Urwin was for five years with the Equitable Life of New York and attained production club membership every year.

Schafer of John Hancock Is Named District Manager

Henry G. Schafer, supervisor of general agencies in the home office of the John Hancock Mutual Life, Feb. 1, will become district manager of a new district to be established in Somerville, Mass. Mr. Schafer is a veteran of 28 years with the John Hancock. He started with Robert Clark, district manager at Boston, being with him for many years, later as assistant manager. Then

he was taken into the home office agency department and after a time was sent to St. Louis where he managed the John Hancock's general agency for a short period. About four years ago he returned to the home office with the title of supervisor of general agencies.

Balkema Detroit Manager

Appointment of E. P. Balkema as manager of the Detroit office of Northwestern National Life is announced. He has been with the company since 1928, when he started as a producer in Battle Creek, Mich. He was called to the home office in 1930 to become agency instructor and has served in that capacity since. He is a C. L. U. The Detroit office has for several years been one of Northwestern National's leading agencies and this year is slated to finish fourth or fifth among all agencies of the company. During the past year the agency added several new producers to its organization, whose production has been outstanding for first-year men. Mr. Balkema plans to continue with an extensive campaign for additional man power. Mr. Balkema is a native of Grandville, Mich., and a graduate of Albion College.

Paul Field Resigns

Paul L. Field, assistant manager of the Detroit office of the Northwestern National Life has resigned after having been with that company for 13½ years.

Mr. Field was born in Mason, Mich. He attended Albion College for two years and graduated from the University of Michigan in 1916. Mr. Field returned to Albion College as director of athletics and coach of football and other athletic sports. He had been a college classmate of Truman H. Cummings, who some months ago resigned as Detroit manager of the Northwestern National to become general agent of the National Life of Vermont in Cleveland and it was through Mr. Cummings that Mr. Field was induced in 1923 to enter the life insurance work.

Mr. Field is leaving with his family for two or three months in Florida, and will announce his future business plans upon his return.

Geise Is Agency Organizer

Sidney A. Geise, special agent in the Milwaukee office of the New York Life, has been appointed agency organizer for the northwest department and will continue his headquarters at the Wisconsin branch office in Milwaukee. U. D. Ward is agency director. Mr. Geise joined the New York Life last July after re-

Ray and Hale, Travelers Men, in Columbus Team

Joseph W. Ray and Allen Hale of the Travelers organization at Columbus

have formed a partnership. They will specialize in life and disability insurance and all forms of business life and employer-employee relationship contracts. Ray joined the Travelers in 1923 and became manager of the life department in 1929. Recently he declined a promotion, that would have compelled him to spend much of his time away from Columbus. He is a past president of the Life Underwriters and the Life Managers Associations. Mr. Hale has been an agent of the Travelers for 15 years.



J. W. RAY

Felton to Nashville

S. J. Felton, agency organizer for the Howard H. Conley agency of the New York Life at Little Rock, has been transferred to Nashville as agency director to supervise a part of Tennessee and seven counties of Virginia. He has been a member of the Conley staff since 1921, serving from 1924 to 1929 as agency cashier. Mr. Conley was toastmaster at a dinner given Mr. Felton. Guests included Ross Davis, Wheeling, W. Va., agency director, who is spending the holidays at Little Rock.

H. T. Ellerby Detroit Head

H. T. Ellerby has been appointed by the Guarantee Mutual Life general agent for Detroit and 10 adjacent counties. He has been a practicing attorney for the past three years. He was previously with the Travelers, having been manager at Detroit for 15 years prior to 1929, when he resigned to work as a personal producer.

Mr. Ellerby succeeds Roy W. Anger who recently resigned, and has taken over Mr. Anger's office in the Michigan Theater building.

Moyer Named Manager

Robert K. Moyer has been appointed manager of the life, accident and group departments for Louisiana and southern Mississippi of the Sinclair Agency, which represents the Travelers in New Orleans. William G. Steel has been appointed assistant manager.

Rich Named Supervisor

W. J. Stoessel, Los Angeles general agent National Life of Vermont, has appointed Ed. Rich, C. L. U., as agency supervisor. Mr. Rich is a graduate of University of Iowa and played quarterback in 1922 on Howard Jones' team which won the Big Ten championship and defeated Yale 6 to 0. He went to Los Angeles as a high school football coach and after serving four years in that capacity entered life insurance with the National Life in 1928. In 1929 he won the Goodrich trophy for writing the largest number of lives.

Not to Work in San Francisco

In reporting that T. G. Murrell is making an important connection with the Mutual Benefit Life on the Pacific Coast, it was erroneously stated that he would act as general agent in San Francisco. He will be general agent in Los Angeles and will have supervisory authority over certain other offices, but he will not function in San Francisco.

Woman Made Manager

Mrs. Jennie D. Randle has been promoted to district manager of the Lamar Life at Mobile, Ala. She is the only woman district manager with that company.

Life Agency Notes

Ralph E. Talley has been appointed district manager at Knoxville for the Penn Mutual.

A. P. Crepps of Youngstown, O., has been named district manager for the Franklin Life.

W. B. Adams, cashier of the John Hancock's Philadelphia office, has been advanced to supervisor there.

J. E. S. Buchanan, 51, general agent Aetna Life, Portland, Ore., died suddenly at his home from a heart attack. He went to Portland in 1922 as assistant general agent, and became general agent in 1925.

"Life Insurance and the Federal Tax Laws"—authoritative 44-page booklet 50c. Order from National Underwriter.

LEGAL RESERVE FRATERNALS

Simplify Technical Matters

Too Much Reliance Should Not Be Placed on Lodge Secretary's Insurance Knowledge

The complexity of the local lodge secretary's job has greatly increased since the advent of legal reserve insurance in fraternal orders, but too much reliance should not be placed on the secretary's familiarity with all the technical aspects of life insurance when the national secretary of the fraternal order is communicating with a subordinate lodge. This point was brought out at a meeting of the National Fraternal Congress by John E. Little, actuary of the Maccabees.

"In communicating with the lodge secretary it is imperative always to keep in mind that he does not have the technical training of the insurance expert, but nevertheless, he is capable of understanding a simple, straightforward explanation of most of the questions he may occasionally ask or which may be asked of him," Mr. Little said. "The burden is not on him to labor over a vague, confusing dissertation from the home office, but the responsibility and duty rest on those who are expected to be the source of information to write and talk in such language and with such clearness that the secretary will thoroughly understand the explanation and will take delight in the broadened scope of his not too profitable task as lodge secretary."

Insurance Angle Formerly Simple

Mr. Little pointed out that in the old days of assessment insurance, the insurance angle was a relatively simple one for the lodge secretary. If the member paid his premiums, he retained his membership and had certain death and dis-

bility protection. If the rate payment was discontinued, the membership terminated at once and with it all protection unless the lodge temporarily continued the premium payment. A reasonably intelligent layman could in an hour's time be taught the insurance principles sufficiently to qualify the newly elected secretary for his job of handling the finances of the local lodge. The biggest part of the secretary's duty was keeping the lodge minutes, handling papers in connection with lodge degrees, transfer of memberships and taking part in the many ritualistic ceremonies.

Today the secretary needs to have a thorough knowledge of certificate provisions in order to be able to explain the benefits right to the members and to advise them constantly. He must be familiar with the society's old age homes, sanitariums and relief agencies. He must understand the intricacies of extended protection, paid-up protection and automatic premium loans. He must be familiar with optional settlements, refunds, double indemnity, hazardous rates and juvenile insurance.

Don't Rely on Knowledge

Until the secretary has shown clearly that he understands these semi-technical matters, the national officer corresponding with him should be careful not to rely on his having such knowledge, Mr. Little warned. He should assume the role of teacher, not of children but of adult men and women who are usually eager to learn more and more of their work. Explanations perfectly clear to the home office clerk sometimes mean very little to the lodge secretary because he may not understand the meaning of two or three trade words or because the step between the beginning and conclusion of an explanation may not be clear to the secretary, although a perfectly obvious matter to the person who is writing to him.

Mr. Little advised the use of analogies from daily life, with which the lodge secretary would be familiar, in explaining technical insurance terms. For example, he would use the word "rate" instead of "premium," since the latter seems to connote a prize or a reward and does not convey the idea of a periodical payment or contribution. The reserve is another point on which the lodge secretary is often hazy, Mr. Little said. He may visualize a reserve as being like a fund a business firm sets aside for depreciation of equipment, or he may consider a reserve simply as a surplus. It is necessary to explain to him that a reserve represents the discounted value of future contractual benefits less the discounted value of future net premiums, or as he would prefer to call them, "rates."

Patience Pays Dividends

Another point where lodge secretaries are likely to go astray is in understanding the difference between ordinary life, limited payment life, and endowment plans. Many lodge secretaries probably do not know the difference between the various certificates offered by most fraternal societies, Mr. Little said, and though endless patience is required in explaining certificate benefits to lodge secretaries, the interested secretary will soon acquire a general knowledge of them if they are clearly explained a few times.

Farrell Is on Sick List

F. F. Farrell, executive secretary National Fraternal Congress, Chicago, has been ill since Christmas with influenza. He is reported improving steadily.

Seeks Dominion Charter

The Sons of Scotland Benefit Association will seek a charter from the Canadian parliament to take over the Sons of Scotland Benevolent Association, which was incorporated in Ontario in 1880 and

has been active in fraternal and benevolent work.

Extensive Grippe Epidemic Is Not Affecting Insurance

Unseasonal weather has created a respiratory infection and pneumonia epidemic, which is one of the most widespread since the influenza epidemic in 1919, although the illnesses are not as serious and are more like the old fashion grippe. The increase in deaths has not been severe enough to disturb the claim departments of the insurance companies, although the situation is considered potentially serious. Newspapers are carrying warnings, urging people to take precautions and treat colds carefully to avoid pneumonia. Most of the cases seem to be limited to four or five days duration.

The Northwestern National Life has issued a bulletin urging precautions

during the coming pneumonia season from mid-January to mid-March. It estimates that pneumonia will kill close to 100,000 people in 1937, but that many of these lives can be saved by proper care in treating minor ills. Colds should be treated seriously, according to the bulletin, and doctors should be called in all cases of high temperature.

High Death Cause

As a cause of death in this country, pneumonia is surpassed only by heart-arterial diseases and cancer. The ravages of pneumonia are not confined to territories of severe climate; the disease is frequent and deadly in practically all parts of the country.

There are more than 50 different types of pneumonia. However, 81 percent of all cases fall into five types, for which specific serums have already been developed. The serum treatment is not effective unless begun within three days of the inception of the disease.

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WAVERLY, IOWA

Legal Reserve Life Insurance

on the

American Experience 3% Basis

L. A. Lincoln Sees New High "In Force" Figure for 1937

(CONTINUED FROM PAGE 1)

"At present, more than 64,000,000 Americans have policies aggregating more than \$104,000,000,000 in force in the life companies of this country. However, the so-called saturation point in life insurance has not been approached. During the past few years many who thought they were sufficiently insured have found themselves woefully underinsured. With the return of better times these underinsured are revising their life insurance programs upward, so that they can make definite and dependable provision for their own security and for the future welfare of their families.

"Life insurance has kept pace with the changing needs of the people it serves. It has a definite place in the program every person is making for the building of an estate. This one factor points to an increase in the life insurance thrift in this country, which at the present time has two-thirds of all the level premium life insurance in force in the world.

"Another influence that has much to

do with making Americans more insurance-minded is the old age retirement provision being set up by governmental agencies for the people in general. Studying these provisions, the average person realizes their worth—and also their limitations. He then turns to other sources to supplement this program with what he feels is necessary for his own situation.

"Life insurance is the safe and sure method of rounding out any financial program for one's future. So it hardly requires the foreknowledge of a seer to predict that increasing amounts of life insurance are likely to be written during the forthcoming year."

1937 Seen by W. B. Bailey As Good Insurance Year

(CONTINUED FROM PAGE 4)

sudden application of the brakes by the federal government in an effort to prevent a boom. Although the government is determined to avoid a repetition of what occurred in 1928-29, Mr. Bailey states that the expansion of credit by the government to cover the deficits of expenditures over income, plus the influx of foreign money, plus the expan-

sion of credit by individual business enterprises to meet expanding needs might easily cause an inflationary price rise. If this began to develop drastic steps might be taken to check it. If it should be necessary to apply them, the brakes may take hold a little too abruptly, checking legitimate business enterprise as well as speculative activities. If a boom can be avoided, he declares, there is no reason why the period of prosperity should not continue for years.

Linton Has Busy Chicago Day With Agents and Economists

(CONTINUED FROM PAGE 6)

ceipts might be insufficient to meet pension payments. The building of this contingency reserve would mean withholding from current use a certain amount of old age taxes but not to anything like the extent that would be required to create a reserve fund of 47 billion dollars.

Increase In Early Years

"Without increasing the ultimate pension load, adopt a pension formula which would increase the scale of pensions that would be paid in the early years of the system. Furthermore, begin to pay pensions before 1942, say in 1939 or 1940. It will be found that the initial tax rate of 2 percent would enable both of these changes to be made and for several years still leave something over for contingency reserve purposes. Do not now provide for an increase in the old age taxes at any set date in the future, but allow future congresses to determine the tax rates in the light of conditions then existing, including, of course, consideration of the amount of interest that would have been released by reduction of the national debt.

"Remembering that the primary objective of a nation-wide old age security program is to provide protection to the great mass of lower paid workers who are unable to save enough to provide support in old age, the major emphasis in setting up the plan should be to achieve this objective. Workers who are in the middle and upper brackets of income have opportunity of making independent provision for themselves. Therefore the objective should be to provide them with a reasonable basic old age income, which would leave ample scope for the operation of the motives of thrift and individual initiative. When everything has been said and done these virtues do have merit not only in determining the character of an individual but also in determining the character of a nation.

"Seek strenuously for a practicable

method of widening the coverage of the contributory plan so that the percentage of the workers not included in it—now about 47 percent—may be substantially reduced. This is important for the reason that the free assistance pensions give evidence of becoming relatively quite generous when compared with the contributory pensions, even though the latter should be increased. The smaller the proportion of the workers to which the free assistance pensions will apply, the less of a menace these pensions are likely to be to the successful working of the contributory plan.

"Whether the foregoing changes in the contributory plan would make it work satisfactorily, no one can predict. About all that can be said is that they would increase the probability of its doing so. Needless to say, we are dealing with an exceedingly important subject as the thing to be avoided at all costs is reaction and failure in this field of old age security. The memory is still fresh of an unfortunate experiment in another field where unworkable good intentions were written into the basic law of the land."

Two Companies Outline Aid to Business by U. S. Program

Two more companies that consider the social security plan as an aid to better business are the Fidelity Mutual Life and the Home Life. The former company believes the law will give life insurance about \$100,000,000 worth of advertising, since the plan affords security that is just low enough to make its recipients think of having more and repeats its message with every pay check.

The Fidelity in reviewing the act traces the history of the social security idea, comparing it to the rise of free compulsory education. It stresses the fact that the social security program fails to cover the family, but is an attempt to cover old age and constantly advertises that fact.

Board Chairman E. I. Low of the Home Life said that while a certain class of people are going to be satisfied with what the government will do for them, the class to which the majority of policyholders and prospects belong will not be satisfied with this. The social security law will make them think of the future, but they will want more and will want to provide it for themselves.

John E. Gibbs, Newark general agent of the Penn Mutual, who has been in Arizona for five weeks for his health, has returned to his desk.

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Write J. DeWitt Mills, Vice Pres., for Agency information. Desirable territory is available in Missouri, Arkansas, Nebraska, Oklahoma, Texas, Colorado, Utah, Wyoming, California, and Florida.

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SALES IDEAS AND SUGGESTIONS

How Business Insurance Is Fitting Into the Picture

Lester Forbes, consultant for the Continental Assurance of Chicago, in discussing the use of life insurance in protection of inheritance and other taxes, sees an enlarged field of usefulness for business insurance on key men. Such a man is frequently unrecognized except by his own employer. It is true that a number of key men are recognized by other employers and Mr. Forbes says that in these instances an employer stands in double jeopardy. He may lose a valuable personnel asset by death or by resignation. Speaking further he said:

"Just a week or two ago a prominent advertising executive with whom we were discussing business insurance said 'Fine! I recognize the logic of insurance on my own life if death takes me out of the picture. I recognize the obligation that I owe my associates who depend in greater or lesser measure on me. But my results depend in large part on my man-power. For instance I have one account that gives me a profit every year of \$250,000 because I have an idea-man that happens to click on this account. He just seems to think in their groove and has what they need and what they want."

"If he dies, that is a terrible loss. But at least our firm is more familiar with the account than any one else. We have the inside track in retaining it. However, if our competitor takes this idea-man away from us, the account will probably go with him. A \$250,000 annual profit would fly out the window."

Particularly Pertinent for Industrialists

"Fortunately our experience has the answer. This problem exists today in every large industrial firm. It is particularly pertinent in concerns where individualists are strong. Advertisers, for instance, and inventors. Production men in any line of business are difficult to replace because they get results on personality, and personalities are almost impossible to understudy. The answer is to make these individualists eager to stay where they are for their own selfish reasons."

"Security is the basic thing that we strive for in life. We want to eat regularly. Close after this instinct of self preservation is pursuit of happiness. The constitution of the United States recognizes the fact. We want to eat regularly and happily when we are 50, when we are 60, when we are 70, and as long thereafter as we shall live."

Offers a Solution to the Problem

"Pension plans are the answer that some companies give this problem. But in economic days like these, pension plans across the board may be beyond the bounds of practicability. Schemes on too broad a basis may defeat their purpose, worthy as they may be. But pension plans that insure protection for the key men of an organization, likewise insure their loyalty and their services, and in doing so prove eminently practical in protecting all the workers of the organization."

"Here is the solution to your problem," we told the advertising executive. "You admit you have a loss if this \$250,000 man dies and insurance may prove invaluable in that contingency."

"Yes."

"But you may lose him without his dying because some competitor may

make an offer that seems to him to be more attractive."

"Yes."

"The answer, obviously, is making your own firm more attractive than a competitor."

"Yes."

"All right. We understand each other. Here is the answer. Insure him so you get the money if he dies and he gets the money if he lives to age 65 in your employ."

Suppose He Resigns Regardless of Cause

"But suppose he resigns regardless."

"At least you have made that chance less likely. The other firm may offer more money now, but you are offering him security at age 60 or 65 as well as now."

"But suppose he resigns regardless."

"You still have the cash values on his policy."

"But the cost is too great."

"It is true the premium cost on endowment at age 60 or 65 is greater than on ordinary life insurance, which is endowment at age 85 or 96. But this added cost is indeed very small when you consider that you are insuring this idea-man's loyalty to your company thereby tying the valued key man to you."

Cash Value Constitutes the Secondary Reserve

"But suppose I hit the rocks and cannot continue in 1946 what I start in 1936."

"You have the cash values of the policy as a secondary reserve for your troubles if you need them. And you have the choice of letting those values buy a paid up policy for your employee to show your good faith in him if circumstances get beyond your control."

"There is undoubtedly a very urgent need for business insurance to underwrite the cost of adjustment or the replacement value of a key man in the event of his death. Insurance men and business leaders have acknowledged this fact for many years. But it has not been generally recognized that business insurance has an even larger field in protection of key men who may be lost to a firm by resignation as well as death."

Northwestern Mutual Man Sells With Own Policies

B. C. Nelson, special agent Northwestern Mutual, Milwaukee, uses his own life insurance program extensively in talking to prospects about life insurance. Mr. Nelson, who is one of his company's leaders in lives written, told the Cincinnati Life Underwriters Association that he is thoroughly sold on his job as a life insurance agent, and anyone sold on his job hardly ever fails. He is an exponent of the endless chain prospecting method, demonstrating the effectiveness of that plan with many interesting illustrations.

Praises Small Policy

The small policy is the bread and butter of the agent, he stated. The job of selling life insurance is 90 percent prospecting; the agent's prospect file determines his future success or failure in the business. The things an agent must ask himself about a prospect are: Does he

have an insurance need, can he pay, and can the agent get an interview? Eighty-five percent of all prospects are among people the agent knows. To know people, an agent has to be human, a real man, and he must be able to meet people easily.

"Get your friends and policyholders on your payroll without pay," Mr. Nelson said. "Fifty percent of our sales are made to people we don't know now." He advised agents to "be part of your community—do not live off of it." If an agent fails to do things for his friends, he shortly won't have friends to do things for.

Cites Own Policies

He finds people are interested in the agent's own program and he generally first shows his own program, which he constantly carries with him, made up in a black notebook. He carries \$152,000 ordinary life on the annual premium plan. It now has a cash value of \$37,000 and at age 65 a value of \$69,700, payable \$530 monthly as long as he lives. In the event of his death, \$8,000 is payable in a lump sum; \$124,000 is left to the beneficiary on interest option, the interest amounting to \$4,340 annually, and not more than \$5,000 is withdrawable in any one year; \$12,000 is allotted to Christmas and birthday presents payable \$100 each birthday and Christmas to his wife, children, and future grandchildren and two \$4,000 educational policies, one for each child, completes the balance. Mr. Nelson said his other investments, \$33,000 in farm lands, \$30,000 in stocks and bonds, \$26,500 loaned to relatives, \$12,000 invested in Texas lands, and \$8,000 in real estate, were "out" as investments and he had not yet realized his investment in them. He has made up books such as his own for a number of his policyholders.

Paint Cheerful Picture

If an agent can paint a cheerful picture, it is better for him. An agent should always be cheerful and optimistic. "Be earnest, and let's put dynamite into our sales," he said. He carries a piece of cardboard on which are pasted newspaper clippings of prominent men to whose beneficiaries he has paid claims after their death, showing these to prospects. He termed claims on policies for which only a few premiums had been paid "inflation stories."

An interview is an interview only when the prospect has said "no" seven times. Mr. Nelson said he frequently thought it took an actor to sell life insurance. He recommended the book "The Logic of Life Insurance" and the use of the Estate-O-Graph.

Gives "Recipe" for Success

C. T. Warren, district agent at Logan, O., of the Lincoln National Life, has organized from his personal experiences the following recipe for success in the life insurance business:

1. Have faith in yourself; self-depreciation never won a battle.
2. Work toward definite ends and with a definite purpose.
3. Make your will obedient to your desire.
4. Increase your self-reliance through perseverance.
5. Undertake everything with a fixed purpose.
6. Give your best and be satisfied with nothing but the best.
7. Cultivate a deep interest in anything you undertake.
8. Develop all your forces so that you can rely upon them.
9. Be willing to sacrifice for the sake of achievement.
10. Be worthy of the respect, appreciation and good will of your associates.

Get Reducing Your Taxes, 50-page booklet, 50 cents. Order from National Underwriter.

SALES IDEAS OF THE WEEK

PROSPECTS FOR SECURITY

There are nine classes of prospects who do not come under the new federal social security program who still must provide their own old age pensions. They are:

1. Agricultural labor.
2. Domestic servants in a private home.
3. Casual labor.
4. Any individual who has already attained the age of 65.
5. Officers or members of any crew of a vessel documented under the laws of the United States or of a foreign country.
6. Employees of the United States government.
7. Employees of the state or political division thereof.
8. Employees of a corporation, community chest, fund, or foundation, organized and operated exclusively for religious, charitable, scientific, literary or educational purposes, or for the prevention of cruelty to children or animals.
9. Those in business for themselves, which includes doctors, lawyers, other professional men, most salesmen, etc.

* * *

CONSERVATION IMPORTANT

Conservation should never be forgotten by the agent. The development of spheres of influence which is important in prospecting works inversely in case of a lapsed policyholder. The agent naturally has a certain group of prospects that he can develop. The lapsed policyholder means the elimination of not only one client, but also several prospective clients, who may be influenced by the lapsed policyholder's opinion. Lapses may be primarily due to the inability of the policyholder to pay the premium, but in many cases he can find money to pay the premium if he is properly sold on the importance of the protection. By creating the right attitude toward life insurance when he makes the sale the agent contributes to the permanency of his business.

Has New Prospecting Aids

To further its quality program of specializing on better risks, Home Life of New York announces a new aid to prospecting, its "Client Progress Record." The record is completed each month with the names of prospects on whom the agent expects to write business. Each prospect is rated by means of an earned income formula in A, B and C classifications.

A pocket edition for daily memoranda of calls and interviews is called the "Client Appointment Book." Perforated pages permit not only the tabulation of the daily record of effort and results but the tear sheets can be removed for permanent filing for future reference.

Cotton National Manager

Stanley Cotton has been appointed manager of the Montreal branch of the Northern Life of Canada. He was formerly with the Winnipeg branch of the company.

N. A. Herberts Resigns

COLUMBUS, O., Dec. 31.—N. A. Herberts has resigned as manager of the Pacific Mutual Life in Columbus to devote his entire time to person production. Mr. Herberts came to Columbus four years ago from Detroit.

Teachers Take Up Insurance Issues

(CONTINUED FROM PAGE 1)

to the insurance background and developments in other countries than the United States. This feeling was undoubtedly increased by the presence of Dr. Albert Manes, formerly of the University of Berlin and now at the University of Indiana, who, as founder of the German Association for Study of the Science of Insurance, has been outstanding in the development of insurance education on an international basis. Even without his presence, however, the feeling was apparent through all the discussions of curricula and selection of books that foreign developments are bound sooner or later to affect developments in this country and that they should not be ignored by any student of the business.

Include Social Insurance

A second trend was toward the inclusion of all forms of social insurance in the courses. Discussion of the social security act was carefully avoided, but old age benefits, crop insurance, unemployment insurance and various forms of compulsory insurance were mentioned repeatedly. On several occasions the feeling was voiced that insurance men do not have a thorough understanding of the workings of the various social insurance schemes and that this lack of knowledge has handicapped them severely in their attempts to prove the superiority of private insurance.

Better Correlation Sought

Another important trend was the desire of the instructors to correlate their efforts with those of men actively engaged in the business. A number of insurance men representing different interests were present as speakers or guests and more had been invited.

The buyer of insurance is also receiving consideration from the teachers and, if sentiment expressed at the meeting is any indication, principles which will assist a person in buying insurance for himself or for his business house will receive greater prominence in future insurance courses. An insurance buyer was also one of the speakers. All in all, the insurance professors are trying to avoid any status of a class apart from others interested in insurance and are seeking not only to assume a definite place in the insurance order, but to weld their activities and their influence with all the other forces and interests in the business.

Illustrative of this last trend was the prominence given to survey courses in the report of the curriculum committee.

Its recommendation that a general survey course be made a prerequisite for all specific courses in insurance lines met with general approval. This course, which the professors hope to have made a required subject for all commerce and finance students, is to include the general principles of risks and risk bearing, types of carriers, general principles of insurance, mathematical basis of insurance and the place of insurance in the business picture.

In the controversial questions which featured the afternoon session—revision of the standard fire insurance policy and development of all-risks liability policies—the professors strove to be open-minded. Dr. Blanchard encouraging every one present to give his thought on the topic. The association has a definite policy of not endorsing any particular type of carrier or any particular method of writing insurance and comparisons along these lines were carefully excluded.

Book List Sought

The report of the committee on insurance bibliography, headed by C. L. Parry, Metropolitan Life, contained a suggestion for compiling and publishing each year a list of insurance books and pamphlets published during the year. In keeping with the pronounced attitude of the meeting, this bibliography will be world-wide, including as much foreign literature as possible. The committee also hopes to include in this book list references to unpublished doctors' theses. In many universities the theses are dissertations and are not published, but are filed in the college library. Many of these theses, according to Mr. Parry, contain valuable insurance material and are available for research and study if students can find out about them.

The committee also passed out copies of the quarterly "Insurance Book Review," published by the insurance group of the Special Libraries Association.

The association authorized the bibliography committee to continue its work and to publish a book list of such extent and cost as the executive committee might approve.

Plans for Survey Course

The recommendation for a general survey course as a prerequisite to specialized courses in life, property and casualty insurance, actuarial science, etc., in all universities maintaining an insurance department, was presented in the report of the committee on standards and topics for courses in insurance, which was read by J. E. Partington, Iowa State, in the absence of H. J. Loman, chairman of the committee, due to illness. The committee recommended a required survey course of not less than three hours per week for one semester, or a total of 45 class hours. The committee further recommended that it be made a required course in all schools of commerce and finance, whether the student goes on with further insurance courses or not. An outline of recommended specific courses in life, property and casualty insurance was also given. Where the survey course cannot be given, the committee recommended that the specialized courses should include principal fundamental topics of the survey course.

Dual Nature of Insurance

Dr. Alfred Manes, in discussing the report, sounded a novel note when he stated that insurance today is a two-faced Janus, one face turned toward capital, as expressed in private property insurance, and the other toward labor, as indicated by social insurance. This dual nature of insurance, and particularly its new social aspects, should not be ignored in any college course. Only by proper knowledge of the workings of social insurance can the superiority of private insurance be demonstrated. In spite of the fact that insurance has de-

veloped to a greater extent in the United States than anywhere else in the world, most American economic textbooks ignore insurance. It is too closely linked with gambling and speculation, stated Dr. Manes, with the result that too many business students are prejudiced against it and have no idea of its proper function in economic life.

One great fault which Dr. Manes found with current teaching of insurance is the over-emphasis of the juridical side and the slighting of the economic side. Insurance is too often defined as a contract, but compulsory social insurance can hardly be called such. The survey course, he declared, is the most important, but it should convey the fundamental economic idea of insurance and its proper place as a social phenomenon.

Duties of Teacher

The professor of insurance, according to Dr. Manes, should systematize, call attention to aspects of business in foreign countries, pioneer in new ideas, do scientific work and convince the insurance companies that professors are important promoters of business among young educated people.

S. H. Nerlove, University of Chicago, decried the attaching of importance to the number of hours or the amount of credit given for courses, contending that stimulation of the student is far more important. He recommended that all insurance courses should take cognizance of the point of view of the buyer and should also include a detailed study of state supervision of insurance. Another point frequently overlooked by the public and seldom emphasized in insurance courses is the distinction between life and other forms of insurance.

An indication of the interest of college students in insurance was the statement by J. B. Winslow, University of Toledo, that 60 percent of the senior commerce class of that school have elected at least one insurance course. He commented on the difficulty of getting around rigid faculty requirements. The result is that a new subject like insurance can seldom be squeezed into the curriculum except as an elective. A few schools have been able to offer majors in insurance, but most of them can only offer elective courses.

The thought was voiced that much adverse legislation has been due to a lack of knowledge of insurance and also that practical insurance men, if they are to be worth anything to the companies, should also be well grounded in economics, logic, psychology, physiology and mathematics.

Dr. Manes Luncheon Speaker

Dr. Manes was the luncheon speaker. Insurance Director Palmer was scheduled to give an address at that time but was unable to attend.

Dr. Manes discussed the relationship between insurance practice and theory. He contended that theory and practice should mutually watch and learn from each other. The relations between those representing theory and practice, he said, are likely to become strained because it is quite possible in some cases that the practical men do not like to have large numbers of people enlightened about things, which they would rather have regarded as business secrets, since competitors might take advantage of these things being divulged. On the other hand, he declared, practical men may occasionally be justified in criticizing theoretical writers who for lack of sufficient knowledge, or, possibly even on purpose, through prejudice or definite mental bent will ignorantly, negligently or maliciously represent facts in a colored light.

Dr. Manes observed that the various divisions of insurance keep to themselves and the marine men, for instance, do not meet with the life men. There should be some unification, he contended. The efforts of leaders of practice and theory in insurance should be united and coordinated. He proposed a "senate of insurance."

Among insurance men attending the professorial sessions were: Alfred MacArthur, president Central Life of Illi-

nois; Roy L. Davis, W. W. Durham & Co.; A. J. Johannsen, Northwestern Mutual, and Gerard Brown, Penn Mutual.

Examination Plan Submitted by Pink

(CONTINUED FROM PAGE 1)

insurance departments will be welcome at the Chicago meeting.

The responses to Mr. Read's inquiry as to the appointment of the subcommittee were extremely favorable to the New York superintendent's suggestion and no outright exception was taken and no objections offered. Two or three members suggested modifications.

Commenting as a commissioner, Mr. Read said he believed it is a step in the right direction and a distinct concession from the New York position and will lead to worth while experience.

New Ohio Legislation

COLUMBUS, O., Dec. 31.—Insurance interests were successful in obtaining an amendment to the use tax bill just passed by the Ohio legislature by which policy forms, endorsements, etc., are made exempt from the tax. It is said that the amendment is not as broad as had been hoped for by the insurance men, and probably will not exempt all supplies furnished to agents, but it will exempt a large part.

The unemployment insurance law has been signed by the governor and is now a law. Under the law local agents will not be considered employees of insurance companies, and solicitors, it appears, will not be considered employees of either companies or agents.

Van Wert Company's Increase

The General Mutual Life of Van Wert, O., will increase its capital from \$100,000 to \$200,000, through authorization of 1,000 additional shares with a par of \$100 each. Subscriptions are being accepted for 500 shares at \$165 each.

Stockholders were given the right to subscribe for one new share for each two shares now held. No fractional shares will be issued. The right to buy additional stock expires Dec. 30, 1936.

Subscription rights for the remaining 500 shares will probably be available to stockholders at a later date. At that time the board will set the price and terms.

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• RECENT COURT DECISIONS •

Hernia Operation Is Fatal

Court Holds Accidental Death Benefits Payable Because Rupture Caused by Accidental Means

A surgical operation which is proper treatment for bodily injuries sustained solely through violent, external and accidental means does not break the causal connection between such means and the death of the insured, the Massachusetts supreme judicial court declared in allowing double indemnity benefits on account of the death of the assured, following an operation for hernia. The case was Ballam, admnrx. vs. Metropolitan Life.

There was evidence that the assured who was in good physical health, while carrying two 5-gallon cans of oil, slipped and fell on an oily floor and suffered great pain. He was operated on about 10 weeks later and died of pulmonary embolism.

In Line of Causation

The supreme judicial court held that neither the policy provision applicable to "bodily infirmity" nor to hernia applies to a hernia sustained solely through violent, external and accidental means and resulting in the death of the insured; that is, a hernia which is wholly within the line of causation between such means and the death, "directly or independently of all other causes."

The insurer undertook to prove that the insured had an enlarged inguinal ring and that his hernia and death were caused partly by such "bodily infirmity." The court declared that it could have been found that the enlarged ring, even if a "bodily infirmity" was not wholly or partly a cause of the hernia and the death of the insured within the meaning of the clause of exception.

Construes Clause Limiting Term Conversion Right

The Wisconsin supreme court has decided in favor of the insurer in an issue involving conversion of term policies into a permanent form of coverage. The case was Holzinger vs. Prudential.

Holzinger had three term policies aggregating \$10,000. He suffered a permanent partial disability in 1930 and in 1931 sought to convert the term policies into an ordinary policy for \$10,000 including double indemnity and disability income, designating May 1, 1930, as the date of the new policy.

The conversion provision in the term policies was: "That the amount or commuted value of such new policy (including accidental death benefits or disability income, if applied for) shall not exceed the amount of insurance under this policy at the time of conversion."

Holzinger contended that he should be given a new policy with \$10,000 face amount plus accidental indemnity plus full double indemnity and disability income benefits of \$100 a month during disability and without deduction from the face of the policy.

The court held that the words "including accidental death benefits or disability income, if applied for" in the conversion clause can have no other meaning than that in determining the amount of the insurance to be issued the commuted value of accidental death benefits and disability income requested shall be deducted from the amount of the policy and a whole life policy issued for the difference, limiting the amount of insurance including death and income benefits under the new policy to the amount of insurance under the term policy.

Accepts Premium After Death

Insurer Did Not Waive Requirement for a Certificate of Health Court Decides

In O'Connor vs. Metropolitan Life, the Connecticut supreme court of errors decided adversely to the beneficiary the contention that the insurer had waived the requirement for a certificate of health to reinstate a policy by the action of its branch manager in accepting overdue premiums unwittingly after the death of the insured.

The assured suffered injury Aug. 6, 1933. The beneficiary the next evening paid to the agent two overdue premiums, without interest. In the trial, the beneficiary offered evidence that she told the agent that her husband had been hurt. The assured died that night. The next morning the agent, not knowing this, turned over the money to the branch manager in Stamford.

No Basis for Estoppel

The higher court held that the right of the beneficiary to recover, if it exists, must be because the premiums paid were accepted by the Metropolitan as represented by the manager of its branch under such circumstances as to amount to a waiver of or estoppel against asserting that the policy had lapsed by reason of the insured's failure to furnish "evidence of insurability satisfactory to the company."

The court concluded that a waiver by reason of the receipt of overdue premiums does not arise where at the time when that waiver is claimed to have occurred the insured is dead, but the insurer is ignorant of that fact. The basis of an estoppel in this case would be that by the conduct of the Metropolitan Life, the beneficiary was misled to her injury, in that, in reliance upon it, she did not offer evidence of insurability satisfactory to the Metropolitan. But such an estoppel would not arise here, for at no time after the payment to the agent could there have been a compliance with this provision.

Double Indemnity Ruling

The Colorado supreme court has ordered judgment in favor of Kansas City Life in a contest over double indemnity

benefits in which the beneficiary claimed the additional benefits despite the fact that the policy provided such benefits only during the premium paying period. Two years prior to the assured's death, the policy became a paid up contract. Under the terms of the policy, annual premiums were to be paid for 20 years unless by the methods selected for paying the second annual premium, the assured elected to make the policy a paid up contract for \$1,000 at the end of 15 years. This was done and the premium paying period was fixed at 15 years.

The court held that once the choice was made in favor of the 15-payment contract, that policy must be given full effect. The case was Kansas City Life vs. Pettit.

Finds Remittance Was for Premium Due, Not Debt

The Alabama supreme court has denied a motion for a new trial in United Benefit Life vs. Dopson. The insurer denied liability following the death of the assured on the theory that the money paid by the assured for the last quarterly premium before he died was in satisfaction of a personal loan to the agent and was not payment of the premium due.

Assured, by post office money order issued Jan. 18, 1933, paid to Petree, agent for United Benefit in Montgomery, \$6.34, which was the amount due as premium for the last quarter. United Benefit insists that this was due by assured on notes executed to Petree in October preceding; that Petree accepted it in satisfaction of that particular quarterly payment and remitted out of his individual funds to the company the net amount due it after deducting his commission. Petree's wife and son testified in corroboration of Petree's testimony.

The supreme court held that not only had the beneficiary made out her prima facie case, but her case was strengthened by the proof of a remittance by assured to Petree within the required time to keep alive the policy of the exact amount due for the last quarterly premium. Whether such was its purpose, was clearly a question for the jury. The witnesses were interested and the case is not one calling for disturbance of the ruling denying the motion for a new trial.

Effect of Policy Possession

Possession of a policy by the insured or by the beneficiary is prima facie evidence of its delivery as a valid and subsisting contract and the burden of overcoming the prima facie case made by production of the policy by the beneficiary, in an action to enforce it, rests upon the insurance company. Whether the insurer's evidence did or did not overcome the prima facie case thus made by the beneficiary was for the jury to determine. On this theory the California district court of appeals, second appellate district, held for the beneficiary against the Aetna Life in Feinberg vs. Aetna Life.

In May, 1931, Ewing, an agent for the Aetna Life, approached Feinberg, who was manager of the musical department of Metro-Goldwyn-Mayer studios and also Smith, an employee in the same department. Both men were examined June 1 and Feinberg signed an application for a policy which was forwarded by Ewing to the home office. On June 18, the policy was issued to Feinberg and another one to Smith. On the day Ewing went to the studios to deliver the policies, Feinberg was not

there and Ewing delivered the Feinberg policy to Smith, who signed a receipt for policy contract delivered for examination without reading it. Smith delivered the policy to Feinberg later without mentioning that he had signed a receipt. A few days after Ewing left the policies with Smith, Ewing returned and picked up Smith's policy.

The policy issued to Feinberg remained in his possession until his death on Aug. 14, 1931, as the result of an accident. Mrs. Feinberg testified that between the 14th and 17th of August she received through the mail a notice of second premium due on her husband's policy.

The court held that while the notice of second payment of premium due did not amount to an admission by the insurer that the first premium had been paid, it was sufficient to raise the inference that credit had been extended to the insured by Ewing and that some credit arrangement had been made by Ewing with the home office. Admission into evidence of this notice of second payment of premium due did not amount to prejudicial error.

Mississippi Supreme Court Upholds the Beneficiary

The Mississippi supreme court has upheld a judgment of \$50,000 to Mrs. M. W. Boling of Hinds county against the New York Life. Her husband carried a policy and permitted it to lapse. The cash value, it was held, was sufficient to cover a policy loan and to keep the contract in force beyond the time of his death had not the maximum fee been charged for extending the period of protection. The scale permits a charge "not in excess of 1½ percent of the face value of the policy." Applying the maximum fee in this case, the remaining cash value was not sufficient to cover the loan and keep the policy in force beyond death.

Justice Anderson held that the fee should be plainly stated to prevent discrimination. He said in part: "Where the policy is not surrendered, the cash surrender value constitutes a premium and keeps the policy in force a certain length of time, based on the amount of such premium. Under the provision in question, the insurer could fix, to a certain extent, the amount of such premium it could deduct therefrom as a surrender charge, from 1½ percent of the face value of the policy down to nothing. To that extent, the cost of the policy to the insurer is left entirely to the discretion of the insurer. The insured could arbitrarily discriminate between policyholders of the same class."

Photostatic Copy, Although Diminished, Is Effective

A photostatic copy of an application, in reduced size, which is attached to the policy, constitutes a copy of the original application, the United States circuit court of appeals, third circuit (Pa.) has held in Enelow vs. New York Life.

In spite of the fraud of the insured in falsely misstating material facts, the beneficiary sought to recover on the ground that the photostatic copy of the application was not a copy of the original on account of its diminished size and alleged illegibility. The court declared that the statute makes no provision as to what shall constitute a copy and undoubtedly the photostat was, in fact, a copy of the original. On the sheet to which a photostatic copy of the application is attached is this notice: "Note. This copy should be carefully examined and if any error or omission is found, full particulars should be sent immediately to the home office of the company, etc." Confronted by this caution the insured accepted the policy, kept it about 18 months and made no complaint that it was illegible.

The judge in the trial court stated he was able to read the application without any particular difficulty except as to a few words. The questions and answers were read with very little, if any, difficulty and without the use of magnifying glasses.

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